THE FINANCIAL POST

The Canadian Newspaper for Investors

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EFFORTS TO CUT COST OF LIVING ARE SUPERFICIAL

All-Embracing Resolution Before Municipalities Convention

LACK OF INFORMATION

A Startling Knowledge of Common, Universally-Proven Business Principles Revealed in Commendable Effort

There have been a goodly number of cure-all schemes for circumventing the high cost of living, but probably the most comprehensive one is that outlined in a series of resolutions presented by the North Vancouver, B.C., council before the Union of Canadian Municipalities at the convention in Kingston recently. It is impossible not to have a certain admiration for anybody having the courage of such far-reaching conclusions. But at the same time it is a little difficult to see that business conditions that have withstood the test of years and that have only been brought to the public attention through a world upheaval must be all wrong, or that schemes that have not faced the test of experience may be the best way of meeting the situation.

"We submit," says the resolution, "the principal root of the evil is the present wasteful, inefficient and antiquated method, or rather lack of method, of distributing the goods from the producer and manufacturer to the consumer—wasteful of time, labor, health, happiness and even human life—inefficient and antiquated in this age and to such an extent that even the huge economies effected by the greatest array of labor-saving machinery in the world has ever seen are in a large measure rendered null and void. An ever-increasing army of unregulated distributors and relatively an ever-decreasing army of producers with the leaders of all these practising, profiteering and price-manipulation as their fancy may dictate or opportunity permit.

"Among the minor causes are the various classes of idlers and usurers, who in devious ways levy toll on labor and industry. Waste of time in high schools and colleges teaching dead languages and other unpractical subjects to the partial or total exclusion of vocational training, economics and useful branches of learning which would be of greater value for purposes of mind development and discipline and thereafter more useful to the individual and the country."

Some Comparisons

It is, of course, possible that there might be a dissenting voice, heard above this chorus of condemnation. A voice that might suggest, for instance, that the fact that the producer is getting $24.50 per hundred for hogs, where he formerly got $6, might, perhaps, have as much to do with the matter of increased cost as the inefficient handling that gives to the packer 5-16 of a cent per pound on bacon, or to the retailer a bare 5 cents a pound. Or the fact that the farmer is now guaranteed a price of $2.15 a bushel for wheat that formerly he sold with satisfaction for 90 cents, may be as much responsible as the half cent a loaf profit of the baker, or the cent profit of the retailer.

That there is a certain amount of waste and inefficiency in present methods of handling is beyond dispute, but it has yet to be proven that the public is keenly interested in better methods. The case of the great packing industry in both the United States and Canada is a rather striking illustration of the public's understanding of profits, even when these profits accrued as the result of the acme of efficient operation, and at little cost to the public.

As to Business Morals

It is a question, too, whether all the blame for the trying conditions of the present time should be laid at the door of established trade, any more than at any other door. There seems no good evidence for believing that the business morals of the merchant class are worse than any other, and there might be those who might reply to the stricture that our schools and colleges are not devoting their attention strongly enough to the bread and butter needs that "man does not live by bread alone."

No Mean Ambition

Still panaceas for any ills are always of interest, and according to the statement of the desired object

Continued on page 8.

MILLION DOLLAR DEFICIT

Montreal Tramways Report to be Issued Next Week

MONTREAL.—The first annual report of the Montreal Tramways Commission for the sixteen months ending June 30 will be issued early next week. A conference will be held with Montreal and the other municipalities on Tuesday to consider the increased fares that must be put in force in spite of the advance of one year ago. The report of the Tramway System, THE FINANCIAL POST understands, will show a deficit of $1,000,000 on operation, as compared with amount that contract authorizes. To this must be added another million dollars increase in wages, making $2,000,000 that must be made up in increased fares.

THRESHING STARTS IN SASKATCHEWAN

Operations Should be General Throughout Province in Ten Days

Wheat cutting in Saskatchewan is practically complete and threshing has started in some parts, according to a wire to THE FINANCIAL POST from Edward Oliver, Provincial Secretary of Statistics at Regina. Threshing operations should be general in ten days. Heavy rain in western and northern districts will help feed, late oats and flax, and if there are no frosts these crops will be much better than expected.

J. E. Macfarlane, managing director of the Western Canada Flour Mills Company, has just returned from an extensive trip through the Western Provinces. He is inclined to believe that the crop, when harvested, will show a fair yield. In Southern Alberta and Central Saskatchewan, he states, the crop will be a practical failure, but elsewhere the yield should be fairly satisfactory. In Manitoba, had it not been for the inroads of rust, there would have been a record crop.

PROSPECTS GOOD FOR TRADE WITH FRANCE

But Canadians Must Go After Business—Exhibition Train to Tour Country

By Resident Representative

MONTREAL.—Philippe Roy, who, for the past eight years, has been Canadian Trade Commissioner to France, is now back in Canada for a visit of three months, during which he will visit the West, as well as the East, and place himself again in close touch with Canadian conditions.

Speaking to THE FINANCIAL POST on Thursday, he announced that the French Exhibition train, for which Senator Beaubien had been endeavoring to arrange a tour of Canada, would be seen next spring, and he hoped that the proposed Canadian train would be exhibited to the French early next summer. Just at present transportation conditions in France were too unsettled to make the tour of the Canadian exhibits advisable, owing to the lack of rolling stock, and the destruction of rails and many bridges during the war, as well as the neglect of maintenance that was natural in the stress of war.

Mr. Roy is much interested in the working out of a special commercial treaty between Canada and France.

"Our present convention with France expires in September, but I presume the old one will be continued until a new one is signed," he said. "Nothing can really be done between the two countries until peace is signed all over, but the French would prize a preference in our markets.

"There is a good prospect for Canadian trade with France, especially during the reconstruction period. After that, naturally, the country will endeavor to produce all it can itself. But now there is a strong feeling in favor of Canada in France. They have not only learned far more than before of our products, some directly, the rest through goods sent in by Commissions. To-day there is not a country that meets with more sympathy and good will than Canada in France, mainly because of the wonderful way the Canadian army behaved towards the people, as well, of course, as the service they performed. But I would like to impress this fact: that Canadian exporters must make up their minds to look after this business themselves; they cannot depend on Canadian Government officials over there. The Canadians must be the sellers of goods; they must have a first class agent over there to look after them; and this agent must be empowered to give prices and sign a contract and close business on spot. There cannot be the delay of writing or even cabling, else there are others, from other countries, waiting to take this business, who will act on the spot."

WHEAT PROBLEM HAS NATIONAL SIGNIFICANCE

If British Government Can Hold Price at $1.80, Canada Will Lose

FARMERS' ADVANTAGE

Would Seem That Ottawa Has Made a Mistake if Price Guaranteed is Above Level of World Markets

The wheat situation presents an interesting tangle as the result of Governmental attempts to govern the laws of supply and demand. Milling officials are not inclined to take the view expressed by Sanford Evans that the settling of the $1.80 figure by the British Government is a matter of internal arrangement to curtail the price of bread, and not intended to represent the price that Britain will be ready to pay for wheat. They are inclined to believe that the British Government intends to buy wheat on the cheapest market available, and to buy it at $1.80 if possible. The question, in their opinion, is merely one of whether world conditions will force an increase in this buying figure. If it does not they foresee a condition that will compel the Canadian Government to buy at $2.15 and sell at $1.80, making up the difference from some source that they are inclined to fear may be a further tax on milling profits.

There is a prevailing feeling that the British Government has taken the first definite step toward reducing the cost of living by this action, but the ultimate benefit is doubtful if, as Mr. Evans thinks, the Government proposes to sell below its buying price. The Liverpool market, by reason of the fact that it is a free port, has always set the price for the world. As authoritative estimates of the world wheat crop put the figure at 200,000,000 bushels over and above actual demands, there is a certain amount of color given to the belief that the $1.80 figure is a figure at which the British Government actually expects to buy.

Did Farmers Play Politics

There is a feeling that the farmers of the West forced the hand of the Government. At a recent meeting of the Wheat Purchasing Commission in Winnipeg, at which the case of the grower was heard, it was claimed by some growers that the cost of producing wheat was $23 per acre, and that unless the Government gave the equivalent of the United States set price farmers would refuse to harvest their wheat. While this was the contention of only some of the more radical group, the pressure brought to bear on the Government from all sides was so strong that they set the minimum at $2.15 instead of at the $1.75 figure that had been expected.

The Business Principles

Of course the higher price temporarily insures prosperity to the agricultural community and it may be argued that what is good for agriculture is good for the whole country. This depends entirely upon who pays the price. If the Canadian Government can get $2.15 from some consuming nation all will be well, if not, the difference will have to be paid out of the national income; in brief, the Government will put its hands into the pockets of the taxpayers in general and extract a sum which will at once be given to one class.

THE FINANCIAL POST has contended that now that the war is over we should get back to normal conditions as soon as possible, and that, while the Government might give important assistance in marketing the crop and in securing the highest possible price, that nothing more than this price should be paid to the producer. It is false economics to set up a market for a natural grown product above what it can be sold for in the world markets. An artificial price is merely delaying the inevitable adjustment. The great majority of the grain growers recognized this when, earlier in the season they refused to demand a fixed price from the Ottawa Government; since then there has been a change of sentiment, and it would seem that the sense of political power has overcome business judgment.

Is State Socialism Bolshevism? Dakota's Experience

IN order to bring realization of the dangers which lie ahead of the present-day tendencies in the conduct of public affairs in Canada—and more particularly in Ontario—in the destruction of individual rights and the spread of state socialism or public ownership, in the discouragement of private enterprise and in the general denunciation of practically all forms of business under the reckless term "profiteering," THE FINANCIAL POST has in recent issues drawn attention to some lessons of history. Fifty years ago in Upper Canada and a hundred years ago throughout many of the States of the Union there were similar popular movements which ran the gamut of public favor and enthusiasm until they ended in utter collapse and left financial wreckage which to this day has not been entirely cleared away.

THE FINANCIAL POST has often stated, and again repeats, that history fails to give any evidence that at any time and in any country have such roseate but unsound schemes for the betterment of the community proven ultimately successful. Carried along by public enthusiasm they have expanded as bubbles—even as the Louisiana Bubble—until they have finally burst. Public ownership enthusiasts will say that this is no reason why they should not profit by the past mistakes to make success in the present or the future. But are they profiting by past mistakes? Are they not being similarly carried away?

At the present time this enthusiasm for state socialism gives cause for grave concern because of the wide-spreading Bolsheviki propaganda. Nothing could better suit the plans of the leaders endeavoring to spread the "red religion" in Canada than the insidious spirit of unrest and dissatisfaction which is being fed and fostered by unthinking politicians and newspaper writers. Despite conditions which are perhaps more prosperous than any country has ever before experienced the Canadian people to-day have been wrought up to a pitch where the wild theories of Bolshevism find an all too ready reception.

North Dakota's Present Day Experiments

The line between state socialism and Bolshevism is very vaguely drawn. In fact, in North Dakota the former under the guise of a "Nonpartisan movement" is already being plainly called the latter by such publications, as the Tax Payers' Public Service Magazine which looks below the surface to see what the people are really becoming involved in. The North Dakota movement, says this journal, is the result of a section of the community "securing complete control of all branches of the State Government and the embarking of the state upon schemes of commercial trading, banking, transportation, warehousing and everything which hitherto the middlemen of that state have engaged in. . . . The State Government is launched upon a comprehensive scheme of state socialism as part of the system of government. It may be said to be part of the Bolshevist movement in America."

Likewise frank in expressing its opinion of North Dakota's state socialism is the "Commercial West," Minneapolis, which not only uses Bolshevism in the sense of a common noun, but goes so far as to see behind the movement the hand of Germany ruthlessly still endeavoring to wreck the world's democracy through bringing about that financial, social and industrial collapse which she was unable to accomplish by force of arms. We reproduce the "Commercial West's" "ungloved" references in full:

> What ails this old world, is the question many are now asking as they witness the numerous labor troubles in all the commercial countries. Some complacently refer to the period of unrest through which we are passing, and look upon the frequent strikes as spontaneous eruptions in the industrial world, due to the high cost of living. If this theory is correct the situation simply calls for a larger patience and a united effort to reduce the cost of living.
>
> There is another and more disquieting explanation of the widespread craze of Bolshevism that is now tormenting the world, and is responsible for the senseless strikes, race riots, and general turmoil, especially in our large industrial centres. The discerning people of Seattle, Winnipeg, Chicago and other troubled cities, see an organized movement to demoralize industry and bring about a condition of anarchy. They believe that this is but a part of a world-wide campaign to keep people in a turmoil, and intensify class hatred in all countries. The American Bolshevists, which include the I.W.W.'s, radical Socialists and agitators generally, appear to be acting together and following the lead of those in Germany and Russia.
>
> The important question is, what influence is back of all the activities of these troublemakers? An American citizen, who spent several months in Germany and who just recently returned from there, states that the effort to poison industrial workers by Bolshevism is the latest move of the Huns, in their mad attempt to conquer the world. In the desperation of their military defeat they are now playing their last trump card in the game of world conquest, and hope to crush civilization through industrial and political anarchy. They profess to believe that Germany would be the first to emerge out of the general wreck and they could then be sure of world supremacy.
>
> Does this theory impress you as being too wild and crazy to be considered? Let us see. Do you remember how you were finally forced to believe all the stories of atrocities of the Huns' army and navy and how long it took to make us admit that the German war of frightfulness was as black as at first reported? Maybe you have not forgotten how impossible the reports seemed of the German spy system as it was finally exposed throughout the world. After all the private reports had been confirmed by Government investigations we were all compelled to admit that the Huns would stop at nothing in their mad ambition to rule the world.
>
> In view of these facts, which four years of war established, no one should be surprised or shocked to learn that the labor troubles here and in Europe can be traced finally to the military party in Berlin, now smarting from defeat and eager for revenge. Throughout the war all the radicals in this country were as disloyal as they dare be, and played into the hands of Germany at every turn. No doubt they are still under orders from their former masters and are getting their pay from the defeated Huns to keep up all possible disturbance in all industrial lines outside of Germany. This, if successful, would accomplish a double purpose—inflict losses on the Allied nations and give German industries a better chance to regain business lost during the war.
>
> To argue against this view of the source of our labor troubles, and to say that such a campaign would be suicidal for Germany, does not furnish a reasonable denial, as the Huns were continually doing suicidal stunts all through the war. Both the military and diplomatic divisions of the German Empire were often guilty of such inexcusable folly. Why should we expect wisdom now from such war-mad lords? Defeat has not as yet had time to cure them of their war madness and ambition to conquer the world.
>
> When the war was on we did not really get into full swing, until we realized what a German war of frightfulness meant. When we once got a correct estimate of the Hun, then our war work measured up to the job of seeing that he was thoroughly licked. If we find that the Hun is still the tormenter of the world and is financing Bolshevists everywhere to instigate strikes and rioting, then we will again have our work mapped out and know what to do.
>
> The recent four-day strike of the traction employees in Chicago was a clear demonstration of the malign power of the radicals. The labor unions were stampeded into a strike and prevented from coming to an agreement by the rough work of the professional agitators. When the unions finally got around to vote on the question of striking, a majority voted against such action and the strike was called off.
>
> But no sooner is one strike settled than another one is called. Now the railway shopmen to the number of 100,000 are awaiting a referendum vote on a general strike in spite of the many wage increases since the roads came under Government control. Next it will be some other industry and so on continually.
>
> Can you doubt that some well organized and amply financed movement is under way and that there will be no such thing as industrial peace until the source of the trouble is reached with some effective remedy?

That the present unrest may lead to a serious crisis if the insidious propaganda of the Bolshevists is not effectively counteracted, is the conviction of serious students of the situation who believe that the Government should take more effective steps to curb the socialistic propaganda, and meet the equally serious agitations about profiteering. Professional trouble-makers should be effectively restrained when they cannot be deported. "Profiteers" who can be proven guilty should be made to bear the penalty of the law; honest business men who are serving the community efficiently should be absolved from the reckless charges made against them.

ALL INVESTMENT MARKETS ARE NOW UNSETTLED

Exchange Most Recent Factor in the Local Situation

BONDS ARE WEAK

Material Declines Noted as Compared With Few Months Ago—The New Victory Loan an Influence

There are many conflicting influences at work in the investment situation, affecting practically all the markets, and it is a time when the investor will do well to exercise careful judgment. The abnormal situation in international exchange has supplied a new factor, the extent of which is difficult to determine, but the influence is noted by bond dealers who report the appearance of securities which have been held in Great Britain—usually in odd lots—and which can now be disposed of in this country to advantage, because of the exchange. Also securities payable in the United States are making their appearance, and it is evident that some of the big institutions are clearing up some securities of this kind to advantage in order to increase their investment in the forthcoming Victory Loan.

The whole bond market is off badly. Prices compared with a few months ago show general declines. Even the Government tax-exempt issues, which should be in demand in view of the fact that the forthcoming bonds will be taxable, have lost the favor shown them when the announcement was first made. Underlying this lack of demand for the outstanding Victories appears to be a feeling that with a large sum to raise—$300,000,000 set and $500,000,000 hoped for—there will be such a thorough campaign that previous subscription records will constitute a yard-stick by which new applications will be judged.

In the Stock Markets

Although the situation has been comparatively firm in the stock markets during the week, the same unsettled state prevails as regards sentiment, and New York fails to offer any strong influence for stability. There the outlook for labor troubles in the steel trade, added to other disputes with the workers, has

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H. B. SHAW,
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PROTECTION FOR CORPORATIONS THAT ARE 'GOOD'

Intelligent Regulating Legislation Proposed at Washington

FEDERAL LICENSES

These, While Valid, Would be Protection Against Operation of the Anti-Trust Legislation Now on Statutes

By the Washington Correspondent of "The Annalist."

The attitude which Congress will take toward President Wilson's recommendation of legislation that will set up a Federal license or franchise system for corporations engaged in interstate commerce is a question which is interesting many as the Senate and House buckle down to the task of meeting the general economic situation which fronts the nation. A bill prepared by Representative Steele of Pennsylvania has been before the House of Representatives for some time. Another bill, somewhat broader in scope than the Steele bill, was introduced in the Senate by Senator Kellogg of Minnesota and referred to the Committee on interstate Commerce.

The questions involved in legislation of this nature are of such tremendous import that the revival of the agitation for a move in this direction, advocated as far back as 1904 by James R. Carfield, then Commissioner of Corporations, and now backed by the President of the United States, is bound to attract nation-wide interest and attention in the financial and industrial world. In brief, the aim of the legislation advocated is to create a situation where corporations will be instructed as to what they may do and still remain "good corporations," to use the expression of the late Colonel Roosevelt, instead of simply leaving them in a position where their attorneys must seek to determine what they must not do if they are to escape the penalties of the anti-trust laws.

Fixing a Standard

Operation under a Federal license or franchise, as opposed to a State license, would have the effect of making the corporations under Federal license exempt from prosecution under the anti-trust legislation now on the statute books, so long as it was determined that they had committed no act which warranted withdrawal of the Federal license. Once the Federal protection was withdrawn they would be subject to prosecution for any future illegal act.

The granting of licenses would be vested in the Federal Trade Commission, or some Governmental body to be created, and this agency would have general power of supervision and review of complaints which might be made, with the corporations, of course, reserving the right of submitting their case to the courts for review in the event that they held that a license was improperly withdrawn.

Some of the advocates of the system hold that good would be accomplished by placing corporations in the position where they could obtain information as to what might be considered legal and what illegal from a recognized Governmental authority, and that corporations, in order to retain the immunity granted them by Federal license, would strive hard to obey the spirit as well as the letter of the Government's rulings, in order not to place themselves in a position where there was danger of the license and its immunity provisions being withdrawn.

There are at least two distinct schools of thought here as to the length to which the Government should go in legislation of this character. One advocates a "compulsory" system which would compel all corporations engaged in interstate commerce with capital and assets of $1,000,000 or more to take out a Federal license. The President is with this group. A second would have the Federal licensing system based on the principle of "voluntary" action on the part of all corporations. Both agree that corporations, no matter how small the capital and assets may be, should be permitted to apply for Federal license.

Many interesting phases of the situation are revealed by an analysis of the principles of the proposed legislation by one of the leading students of the problem in Washington, who is a strong advocate of the proposition.

"Some organizations have demanded repeal of all anti-trust laws, while others have merely suggested their modification. Those which suggested a modification failed, however, to furnish a workable amendment. All felt that these laws were too rigid in their application, and that they retard the industrial development of the country.

"In delivering the opinion of the Supreme Court in the Standard Oil case, Chief Justice White, in discussing the Sherman act, said:

"'Thus not specifying, but indubitably contemplating and requiring a standard, it follows that it was intended that the standard of reason which had been applied as the common law, and in this country, in dealing with subjects of the character embraced by the statute, was intended to be the measure used for tht purpose of determining whether in a given case a particular act had not brought about the wrong against which the statute provided.'

"From this we understand that the act required a standard to be applied to a particular act in a given case. In other words, while a standard is laid down, each case must be determined by its own particular act. But who is to apply the standard? Manifestly this can only be done with safety by a court of last resort, for lawyers and business men cannot do it with any degree of certainty. In this situation normal business development is effectually blocked. While this law has given our people a fair business field as against monopolies and restraints of trade, it has also, because of this uncertainty, failed to give them an open business field for normal growth. Before the war there had been a great evolution in the business of our country. One of the consequences of this evolution and a factory-made age was a tendency to increase the size of manufacturing units.

"The advantages of large-scale production in cost cheapening are generally conceded. Increased production and cost cheapening go together, and their normal development must be in the direction of great industrial growth. The rigid provisions of the Sherman act, however, prevent this normal development, and now that the war is over the country is facing problems of business readjustment.

The Steele Bill

"To remedy this situation it is proposed to utilize a Federal administrative agency already in existence, and empower it, when not detrimental to the public, to authorize the honest business man to increase the growth and efficiency of his industry without subjecting him to the penal laws of the country. The Federal Trade Commission is already authorized to decide questions of unfair competition, and I can see no good reason why it should not be authorized to apply the standard of reason to unlawful monopolies and restraint in trade.

"The proposed law does not repeal any of the provisions of the old law, and those who fail to obtain a license remain subject to the old law as heretofore. To those who contemplate industrial expansion, it affords a speedy method for adjusting the same to the law, thus removing the existing chaos and confusion."

INTERESTING POINT REGARDING DUTIES

Question as to Whether Residence or Registration Should be Deciding Factor

By Special Representative.

HALIFAX.—The Province of Nova Scotia some time ago won a decision in the supreme court of Canada which gave to it the succession duties on the shares in the Royal Bank of Canada, held by the late Wylie Smith, of Halifax. These duties had been claimed by the Province of Quebec on the ground that the head office of the Royal was in Quebec. The court decided that because Mr. Smith was domiciled in Halifax, the Province of Nova Scotia was entitled to the duties, but two of the justices were of opinion that the duties were the property of Nova Scotia because the shares were on the registry of the bank in this Province. The court took these divergent views in coming to the same decision.

Now the attorney-general's department at Halifax is considering the institution of proceedings in other estates in order to obtain a decision which would give the Province the succession duties irrespective of domicile. It is held that the present decision is liable to work loss to Nova Scotia in other estates though it means a victory in the Wylie-Smith matter. In order to get a clear-cut decision there may be further litigation at the instance of this Province.

SABIN AND EUROPE

Importance to United States of Finding Foreign Markets

Referring to the critical situation existing in Europe to-day, Charles H. Sabin, president of the Guaranty Trust Co. of New York, made a statement which we quote in part. He said:

"I have been deeply impressed by the recurring reports which come to us daily from authoritative sources concerning the critical condition of Europe's financial affairs. They sharply drive home the lesson that this country must act and act quickly, not only to save the business situation in other countries, but also in its own interest, because of the extent to which we are involved in their affairs, and the absolute dependence of our prosperity upon rehabilitation. Unless the United States can find foreign markets for its present highly stimulated production there will inevitably be a business recession in this country.

"We have in a large sense the welfare of the whole world in our keeping today, and upon the wisdom and far-sightedness which we show in discharging this obligation will depend, in large measure, not only the progress of other nations, but our own future as well. I do not mean to speak as an alarmist in the situation, because I believe absolutely that if the established countries of Europe are given the co-operation which we are able to give at this time, there will be no question of their making good upon their obligations and justifying any credit or consideration which we may extend to them, but the fact that we over here are 'fiddling while Rome burns.'"

GENERAL STRIKE HAS CLEARED AIR ON THE COAST

Better Outlook Now for Stable Conditions in Labor

REVIEW AND OUTLOOK

Analysis of the General Situation Involving Public Works, Lumbering, Shipbuilding, Mining, Etc.

By GEO. S. HARRISON,
Vancouver Manager, Union Bank of Canada.

Business conditions during the last six months have in the main, maintained a good level. Business was much disturbed by the general strike which was called in Vancouver, and to a minor extent in New Westminster and Victoria, in sympathy with the strike in Winnipeg. Without entering into details it may be stated that the strike failed to accomplish except in a very small degree, its main objective, to completely tie up the industrial life of Vancouver, but it has had considerable effect in some directions. Many industries were closed down with the result of considerable loss, not only re work in hand, but in regard to contracts which were pending, and are not now available.

The general effect of the strike, however, will prove beneficial, in that it has cleared the air somewhat, and there is a fair probability of industrial peace during the next few months at least, in consequence. In general terms, business and industry have been remarkably active, more so in fact than had been anticipated, and the outlook in British Columbia is good, judging from present indications.

The general industrial position is satisfactory—good demand for general commodities at quite high prices carrying satisfactory profit. Only to shortage of some lines from United States and Eastern Canadian markets, certain local manufacturers have experienced less keen competition from those sources than in pre-war days, and this condition is likely to continue for several months, possibly a year more.

Wholesale and retail business is active. The recent strike naturally retarded ordinary commercial business, but with a return of stable conditions, the movement of goods will probably steadily increase. General conditions of credit are sound and satisfactory. Building throughout the Province, especially in the large cities, has been considerably more active in the past half of this year than for several years past.

Labor Conditions

With the exception of the general sympathetic strike there have been few labor disturbances of any note. The agreement entered into between the shipyard and metal works and their employees as a result of the intervention of the Government in October, 1918, has been working well and adjustments are automatically made every three months according to fluctuations in the cost of living. Increases in wages have been granted—in most cases by negotiation — in several trades, and apart from the operation of agitators the "Industrial Unrest" is not very apparent, in fact, in the industrial life of the Province, although it has figures so largely on the surface. The scarcity of labor so noticeable during the closing period of the war has of course been replaced by a surplus of labor, owing to the large number of returned men now seeking employment, but speaking generally, the surplus labor is of the unskilled type, which is absorbable by public works such as harbor and railroad construction shortly to be initiated.

Public Works

The Dominion Government has announced an extensive programme of harbor improvements, involving an expenditure of $5,000,000 in Vancouver during the next two years. A start will be made early this fall commencing with the construction of a terminal railway and wharfage. The Canadian Pacific Railway shortly commence construction of a large ocean wharf at Vancouver. The construction will be on the latest principles to accommodate increased ocean tonnage. This work will give employment to several hundred men. The Government will also build at Victoria a large graving drydock for which the sum of $500,000 has been allocated for initial work. The Provincial Government have just floated a loan of $3,000,000, the proceeds to be expended on the completion of the Pacific Great Eastern Railway. The Canadian National Railways have let a contract for the construction of a new line from Kamloops to Kelowna, estimated to cost $2,500,000 to $4,000,000.

The above together with a good deal of other public work of municipalities and governments, in the way of road and other construction, should be ample to absorb all surplus labor in the Province during the next twelve months and will provide in addition a considerable circulation of money.

Lumber Industry

The condition of the lumber trade is fairly satisfactory. The demand is increasing and several small successive advances in price have been effected. The outlook had been clouded owing to the unprofitable prices prevailing, but recent advances show the lumber operator a moderate profit and the tendency is to increasing operations rather than the curtailment which was noticeable earlier in the season. Fairly large orders for certain classes of lumber havev been placed with British Columbia mills for the British Government and shipment of this lumber is t ing place on British Columbia built steamers as they leave this coast for Europe. A total of about 75,000,000 feet of lumber has been purchased by the British Government in this market recently.

The shingle industry has been very active with considerable advances in price. The United States is the principal market for British Columbia shingles and the demand has been above the average during the past four months. Shipments from Vancouver to the United States during the first five months of this year amounted to $2,700,000 in value; the shipment during the month of May constituting a record.

Considerable interest is being taken at the present time in export lumber business and a number of the principal mills have combined their efforts in this regard by the formation of an export lumber association, who are engaging in actively canvassing the situation with a view to increasing British Columbia's share of the very large business done with countries bordering the Pacific Ocean. It is believed that this export association, working in conjunction with the Provincial Government, will greatly stimulate and extend this important branch of industry.

The general outlook of the lumber industry is to some extent dependent upon the crop situation in Western Canada, which is the principal domestic market. In view of the promising reports now coming to hand, it is likely that considerable business will be available for British Columbia markets.

The pulp and paper industry is making considerable progress and 1919 will probably again be a record year in output of newsprint and pulp.

Shipbuilding

The past six months has witnessed a rapid decline in the wooden shipbuilding industry in this Province, it being recognized that the construction of wooden steamers was an emergency measure and the emergency having passed, the construction of such ships must cease. Some of the yards which have been building this type of vessel have already closed down and others will do so when their programme is completed. The only large yard building wooden steamers at the present time is situated in Victoria and is engaged on the construction of the balance of twenty wooden steamships of 3,000 tons deadweight, eight having already been launched. As to the financial results of the wooden shipbuilding programme, it is difficult to say what has been the net result to the yards as their profit is largely represented by the equip-

Continued on page 9

STEEL MAKERS ARE CONSERVATIVE

Are Now Considering Basis For Taking Next Year's Orders

PITTSBURG.—Iron and steel production is making new records. The question now confronting buyers is the attitude of steel producers relative to taking orders for delivery next year.

The cost of producing pig iron and steel is so uncertain that in view of the anticipated advance in freight rates and the possible higher cost of labor, the bulk of the manufacturers in this district are adopting a conservative sales policy. Most steel mills are booked with orders that will take them until the end of the year.

The Carnegie Steel Co. is operating 46 out of its 59 blast furnaces; 97 per cent of its ingot capacity, while its finishing capacity is being operated at 85%.

Both domestic and export demand for tin mill products is very strong. The California fruit crop having far exceeded all expectations and the sardine catches having been unusually large, the demand for tin plate for canning plants has been very large. The mills are far behind in filling orders for this particular line of trade. It is stated that the demand for tin plate is so strong that users of black plate are not getting all that they wish.

American Sheet & Tin Plate is operating at about 95% of capacity and is well sold up for the remainder of the year. Mills of American Sheet & Tin Plate that produce heavy blue annealled sheets are operating at 75% of capacity while other sheet mills are working at the rate of 85%. This percentage would be much increased if there were more steel.

In the pig iron market sales are continuing very active as far as foundry iron is concerned. Basic and Bessemer are quiet. The Standard Sanitary Manufacturing Co. has bought 4,500 tons of foundry iron for delivery in the fourth quarter, the prices paid being $26.75 for 1.75 to 2.25 silicon and $28 for 2.25 to 2.75 silicon, f. o. b. Valley furnaces. The Westinghouse Airbrake Co. has bought 12,000 tons for delivery this year at the same prices.

TELEGRAPHERS WAGES

C.P.R. Operators Get a Substantial Increase

MONTREAL.— Substantial increases in wages are granted the operators of the Canadian Pacific Railway Company's Telegraphs by an award handed down by the Canadian Railway Board of Adjustment No. 1. An increase of $10 a month is given to Morse operators at "outside points," and of $12 per month to three percentage groups in the percentage offices. Included in the latter are Montreal, Ottawa, Winnipeg, Moose Jaw, Calgary and Vancouver.

HIGH PRICES UNIVERSAL AT PRESENT TIME

Advances Have Been World-Wide in Their Application

VERY FEW DECLINES

Peace Conditions Have Thus Far Had Little Effect—Increases All the Way From 50 to 150 Per Cent.

The advance of prices is not confined to Canada or to America or to the countries which participated in the war. It has been world wide. Nor has it occurred exclusively in the products required for war purposes, nor for the use of the millions engaged in the war. Practically every article entering international trade has advanced in price in the country in which produced, irrespective of their proximity to the war area. Nor have prices been reduced to a perceptible degree in any part of the world since the close of the war. There are, of course, a few exceptions to this general rule, but they are so few and so plainly due to peculiar conditions that they "prove the rule" that the advance has been world wide and that the termination of the war has not reversed the movement or at least caused any material decline in any considerable proportion of the important articles of world production and world consumption.

The extent of the increases in world prices and their distribution to all parts of the globe irrespective of relation to the war area is illustrated in the compilation by The National City Bank of New York, showing the 1919 prices in the country of production of the principal articles forming the international trade of the world and comparing these 1919 prices with those of the same month preceding the war. In the distant Orient, in the tropical world, in the interior of Africa, Australia, and South America, and in the islands of the Pacific, the prices demanded for the articles offered for exportation have been and still continue to be far above those of the pre-war period, the advances ranging 50% to 100% and sometimes 150%.

Rice, for example, cost in the country of production 7.2c per pound for that imported in December 1918, as against 2.6c per pound for that imported in the month preceding the war, July 1914. Nitrate of soda, drawn chiefly from Chile, for which the war demands ceased at the date of the armistice, cost in the country of production $57.40 per ton for that imported in May, 1919, against $26.65 per ton for that imported in the month preceding the war. Raw silk, of which we obtain our entire supply from China and Japan, cost in those countries an average of $6.12 per pound for the imports of the closing month of the war, and $3.84 per pound in the month preceding the war. Goat skins imported from China, India, Mexico, and South America cost in those countries an average of 62.8c per pound for those reaching the United States in May, 1919, against 24.5 per pound for those imported from the same countries in the month preceding the war. Flaxseed, imported chiefly from Argentina, and not an article demanded for war purposes, cost in the country of production $3 per bushel for that reaching us in January, 1919, against $1.47 per bushel paid for that imported in July, 1914. Mattings for floors, imported chiefly from Japan and China, cost in the countries of production 26.4c per square yard for the quantities reaching the United States in May 1919, against 9.1c per square yard for the quantities which reached us in July, 1914. Jute, imported from India, cost in that country $172.75 per ton for the quantity imported into the United States in March, 1919, against $49.56 per ton for that imported in the month preceding the opening of the war.

Comparative Figures

Curiously too, the prices of many articles continue to advance without reference to the fact that the war has terminated. The following comparative figures are based on the wholesale price of articles in the markets of the countries from which imported, for unit of quantity stated:

	Unit	1914 July	1919 May
Macaroni, etc.	lb.	$0.04	$0.11
Rice	lb.	.026	.06
Rice flour, etc.	lb.	.019	.051
Wheat	bush.	.678	1.95
Flour, wheat	bbl.	4.065	9.58
Bristles, etc.	lb.	.932	1.58
Nitrate of soda	ton	26.65	57.40
Coal, bituminous	ton	2.96	5.31
Cocoa, crude	lb.	.104	.114
Coffee	lb.	.111	.167
Copper, pig, etc.	lb.	.140	.138
Cotton, raw	lb.	.147	.376
Cotton, unbleach.	sq. yd.	.145	.253
Cotton, bleached	sq. yd.	.155	.385
Cotton, colored	sq. yd.	.179	.434
Eggs	doz.	.155	.233
Flax	ton	309.43	1,125.18
Hemp	ton	181.35	557.24
Jute, jute butts	ton	49.56	122.58
Manila	ton	204.25	310.41
Sisal grass	ton	126.66	308.08
Binding twine	lb.	.080	.209
Cod, haddock, etc.	lb.	.038	.097
Herring	lb.	.032	.058
Mackerel	lb.	.049	.137
Bananas	bunch	.334	.413
Currants	lb.	.039	.124
Figs	lb.	.032	.102
Almonds	lb.	.339	.341
Peanuts	lb.	.037	.079
Walnuts	lb.	.090	.356
Calf skins	lb.	.253	.484
Cattle hides	lb.	.184	.253
Goat skins	lb.	.245	.628
Sheep skins	lb.	.180	.370
India rubber	lb.	.465	.405
Pig iron	ton	34.50	60.31
Bar iron	ton	23.61	173.92
Steel, ingots, etc.	lb.	.031	.171
Tin plates	lb.	.32	.191
Mats for floors	sq. yd.	.091	.264
Beef, fresh	lb.	.086	.180
Cheese	lb.	.164	.473
Oils	gal.	1.27	1.85
Seeds	bush.	1.47	2.44
Silk, raw	lb.	3.84	5.90
Champagne	dz. qts.	16.76	19.05
Sugar, cane	lb.	.0215	.056
Tea	lb.	.198	.243
Tin, in bars, etc.	lb.	.348	.708
Tobacco, leaf	lb.	1.25	1.93
"	lb.	.467	1.20
Beans	bush.	1.56	3.14
Onions	bush.	1.07	1.69
Potatoes	bush.	.814	1.05
Pulpwood	cord	7.19	9.74
Boards, deals, etc.	M ft.	19.46	30.03
Wood pulp, grd.	ton	16.35	25.14
Wood pulp, unbl.	ton	36.95	80.53
Wood pulp, bl.	ton	49.20	107.36
Wool, unmfd., cl. 1	lb.	.279	.474
Wool, unmfd., cl. 2	lb.	.244	.240
Wool, unmfd., cl. 3	lb.	.167	.422

INSURANCE FUND FOR TRUST CREDITORS

Another Echo of Dominion Trust Affair in British Columbia Courts

By Special Representative

VANCOUVER.—By an order of the court, creditors of the defunct Dominion Trust Company are to receive the benefit of a payment of $20,000, which will be paid over by the Railway Passengers' Assurance Company. This company, while the trust company was operating, gave a bond of $200,000, but payment was resisted successfully until finally a compromise was effected at $20,000. It was expected that this amount would be placed to the credit of the depositors, but under the ruling, all the creditors will share in this distribution. Creditors of the company in British Columbia made a claim to no avail that they only participate in the disbursement.

With reference to the proposal of Liquidator J. C. Gwynn for a compromise of the depositors' claims, the liquidator has received assents from more than one-fourth in value of the deposits, representing nearly $260,000. Only eight depositors, representing $5,000, have thus far objected. If a settlement is to be made, and a dividend paid, it is necessary that all depositors agree to the proposal to accept the liquidator's settlement, which is about thirty cents on the dollar. Thus far he has communicated with 6,000 depositors, of whom 1,600 cannot be reached through the mails.

Mr. Gwynn has announced that he will make no application to the winding-up judge unless he has assents from the majority of claims. Unless in the course of the next few weeks these assents are received, it is probable that the proposal will be withdrawn and each depositor left to fight his own individual case.

U. S. RUBBER ISSUE

Common Shareholders to Have Chance to Subscribe at Par

NEW YORK.—In connection with its announcement regarding stockholders' subcription privileges to the $36,000,000 new common stock to be issued United States Rubber Co. reports net earnings for the six months ended June 30, last, of $10,815,750 after all charges and allowances for depreciation and Federal taxes, compared with $10,242,365 for the corresponding period last year, an increase of $573,385.

Common shareholders of the company, the announcement concerning the stock issue says, will be given the privilege to subscribe on or before October 1, at par ($100) for an amount of increased stock equal to amount of their holdings on September 13, 1919.

U. S. RAILROAD DEFICIT

Total Increased by $30,000,000 During June

NEW YORK.—According to the official figures regarding standard return earned by the carriers in the three-year-test period, the average for June in those three years was approximately $82,550,000. The net operating income of the roads earned in June, 1919, amounted to $52,270,702, making the deficit for the month $30,279,298. The cumulative average of standard return during the test period for the six months ended with June was $400,022,000, while the cumulative deficit shown by the final reports at the end of June this year is shown to be approximately $242,573,000.

HARMONIZING RELATIONS OF CAPITAL-LABOR

Workingman Should Be Neither a Machine Nor a Commodity

LABOR'S POSITION

Must Realize That if Wages Are to Be Maintained Then Production Must Also Be Maintained

By OTTO H. KAHN.

The workman is neither a machine nor a commodity. He is a collaborator with capital. (I do not use the word "partner," because partnership implies sharing in the risks and losses of the business, which risks and losses labor does not and cannot be expected to share, except to a limited extent and indirectly.) He must be given an effective voice in determining jointly with the employer the conditions under which he works, either through committees in each factory or other unit, or through labor unions, or through both. Individual capacity, industry and ambition must receive encouragement and recognition. The employer's attitude should not be one of patronizing or grudging concession, but frank and willing recognition of the dignity of the status of the worker and of the consideration due to him in his feeling and viewpoints.

Everything practicable must be done to infuse interest and conscious purpose into his work, and to diminish the sense of drudgery and monotony of his daily task. The closest possible contact must be maintained between employer and employee. Arrangement for the adjustment of grievances must be provided which will work smoothly and instantaneously. Every feasible opportunity must be given to the workman to be informed as to the business of which he forms a part. He must not be deprived of his employment without valid cause. For his own satisfaction and the good of the country, every inducement and facility should be extended to him to become the owner of property.

Effect of Responsibility

Responsibility has nearly always a sobering and usually a broadening effect. I believe it to be in the interest of labor and capital and the public at large that workmen should participate in industrial responsibilities to the greatest extent compatible with the maintenance of needful order and system and the indispensable unity of management. Therefore, wherever it is practicable and really desired by the employees themselves to have representation on the board of direction, I think that should be conceded. It would give them a better notion of the problems, complexities and cares which the employer has to face. It would tend to allay the suspicions and to remove the misconceptions which, so frequently, are the primary cause of trouble. The workman would come to realize that capitalists are not, perhaps, quite as wise and deep as they are given credit for, but, on the other hand, a good deal less grasping and selfish than they are frequently believed to be, a good deal more decent and well meaning, and made of the same human stuff as the worker, without the addition of either horns or claws or hoofs.

The worker's living conditions must be made dignified and attractive to himself and his family. Nothing of greater importance. To provide proper homes for the workers is one of the most urgent and elementary duties of the employer, or, if he has not the necessary means, then it becomes the duty of the State.

Needs More Than Wages

The worker must be relieved of the dread of sickness, unemployment and old age. It is utterly inadmissible that because industry slackens, or illness or old age befalls a worker, he and his family should therefore be condemned to suffering or to the dread of suffering. The community must find ways and means of seeing to it, by public works or otherwise, that any man fit and honestly desirous to do an honest day's work shall have an opportunity to earn a living. Those unable to work must be honorably protected. The only ones on whom a civilized community has a right to turn its back are those unwilling to work.

(Some may regard certain of the foregoing suggestions as closely approaching Socialism. I believe, on the contrary, that measures of the kind and spirit I advocate, so far from being in accord with the real Socialist creed and aim, would be in the nature of effective antidotes against Socialism and kindred plausible fallacies.)

The worker must receive a wage which not only permits him to keep body and soul together, but to lay something by, to take care of his wife and children, to have his share of the comforts, joys and recreations of life, and to be encouraged in the practice and obtain the rewards of thrift.

Labor, on the other hand, must realize that high wages can only be maintained if high production is maintained. The restriction of production is a sinister and harmful fallacy, most of all in its effect on labor.

The primary cause of poverty is under-production. Furthermore, lessened production naturally makes for high costs. High wages accompanied by proportionately high costs of the essentials of living don't do the worker any good. And they do the rest of the community a great deal of harm. The welfare of the so-called middle classes, i.e., the men and women living on moderate incomes, the small shopkeeper, the average professional man, the farmer, etc., is just as important to the community as the welfare of the wage-earner. If through undue exactions, through unfair use of the power, through inadequate output, the workman brings about a condition in which the pressure of high prices becomes intolerable to the middle classes, he will create a class animosity against himself which is bound to be of infinite harm to his legitimate aspirations. Precisely the same, of course, holds true of capital.

NEW PROBLEMS OF WIRE COMPANIES

Big Operating Burdens Were Assumed Under Government Operation

WASHINGTON.—The telephone, telegraph, and cable wires have been returned to private management after one full year of government direction and operation, in which more unsettling events transpired than ever before, and private enterprise has begun the task of proving whether or not it can meet new conditions, combat them, and emerge successful.

In turning the properties back on last Aug. 1, Congress stipulated that increases in rates, put into effect by the government, should continue for four months thereafter. Indications are that rate-regulating bodies will not constrict the earning power of the companies by the elimination or invalidation of the new rate schedules.

The Bell Telephone system probably offers the best example of just what the wire companies have experienced in recent years and under governmental control. An analysis of conditions throughout this year may be taken as indicative of the general situation with regard to the telephone companies of the country.

Since 1915 wage increases in the Bell Telephone system have aggregated $65,000,000. In 1915 the payroll amounted to approximately $110,000,000. In the same period there were also heavy increases in the cost of materials that enter into the building and maintaining of telephone equipment. In 1917, a year before the President assumed control of the wire lines, material prices had increased 100 per cent. over prices at the close of 1914, but in 1918, government price-fixing set the price on some of the materials used by the Bell system and the other wire lines, and the increase in cost of supplies dropped back to 90 per cent. over those of 1914. Most of the increases mentioned above were on raw materials, such as copper, lead, silver, shellac, poles, and similar supplies.

In the case of manufactured articles and materials the Bell system did not suffer as heavily as was the case with the independent telephone companies, as the bulk of these are manufactured within the organization. But on that equipment alone there has been an increase of 25 per cent. On materials which the organization has had to purchase from outside manufacturers, the average increase in cost has been in the neighborhood of 75 per cent. Added to this has been the substantial increase in the cost of the new capital which the company has had to obtain in the open market.

RAILROAD PAYROLL

Has Been Doubled in States During the War Period

CHICAGO.—Since 1913 approximately $1,400,000,000 has been added to the annual payroll of the American railways, according to the Bureau of Railway News and Statistics. The Bureau adds that it is doubtful if there are more employees now than then. In June, 1913, there were 1,864,303 employees. The present number has not been made public by the Railroad Administration.

The big advance would indicate that the average railroad wage has advanced from a little more than $750 in 1913 to approximately $1,500 this year, or about 100 per cent. The increase in the price of foodstuffs has averaged about 85½ per cent. The Bureau also says that in 1913 the workers moved 301,000,000,000 tons of freight one mile, and in 1919, with the six months' payroll approximately $1,400,000,000 there were only 164,000,000,000 tons of freight moved one mile.

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WHAT BRITAIN MUST DO TO GET BACK MARKETS

Labor Troubles Doing Much to Tie Manufacturers' Hands

CAN FACE OTHERS

Head of Big Industrial Firm Says That Government Must Do Something to Meet Problem of Workers

By SIR ROBERT HADFIELD.

We have come to the end of war and the beginning of peace, and everyone is asking what must be done to restore British trade to its old position. We have had these years in which it has been necessary to devote all our energies to the business of war, and we have been compelled to neglect the normal occupation of peace. We have been obliged to neglect our overseas trade and to disregard the orders from foreign countries which, in the normal course, are a great source of our wealth. Now that war conditions and necessities are at an end we have, if possible, to re-establish ourselves in the markets of the world. Upon our success or failure in this everything depends.

These things are, I believe, quite generally and clearly recognized. All kinds of anxious people are asking what British manufacturers are doing to meet the needs of the present and the future, and we get a vast amount of advice as to the course we should pursue and the efforts we ought to make. But it is not realized that British manufacturers are working to-day under such handicaps as they never experienced before.

The manufacturer's hands are tied because a very great proportion of his time is occupied with the settling of labor troubles.

Consider the situation for a moment. The men in charge of great businesses occupy their position because they possess expert knowledge of the business in question. They have won their places simply and solely because they know more about the industry than other people. Make no mistake about that. It is very easy to talk—in the lighthearted fashion of some labor leaders—of figureheads, and to claim that the men in the chief places of big firms are of no particular importance, but if one thing is more true than another it is that no great business can afford to have any but the very best men at the head of it.

But these men, technical and financial experts, are finding more and more of their time occupied to-day with the settling of labor disputes. In the case of one great firm with which I am acquainted it has been found necessary to set up a special labor department to deal with troubles which are arising every week. In the case of my own company, one of our managing directors has since the armistice devoted fully two-thirds of his time to labor questions, and, of course, he has had to have the use of a portion of the staff to assist him.

All this inevitably increases the establishment charges of the various firms. As things now stand the handling of labor problems practically means the setting up of an entirely distinct set of officials, from directors downwards, solely to manage labor affairs, and to give their whole attention to matters which formerly arose only at intervals of years. And I do not know of any firm whose finances will stand the increase of this third factor in management. At a time when the workers are quite naturally demanding increased wages, their methods of urging their demands are going far to render the position of those who pay the wages impossible.

State Must Take Control

The position of the manufacturer is difficult enough with this complication. There are endless problems, the aftermath of war, to be solved. While we have been throwing the whole of our energies into fighting, our competitors in many countries have been establishing themselves in what used to be our markets. To regain anything like our old position will call for the exercise of all the technical and financial skill we possess.

But the difficulties, though serious, are not insuperable. Take away the labor troubles and we can deal with the rest.

Therefore I feel that, if we are to have any hope for the future, the state must take control in peace, as it did in war, of labor questions. It would appear useless for the Government to stand on one side and say to employers and employed alike: "You must fight out your quarrel between yourselves." As I have tried to show the employers have something else to do.

And there is another point. The workman rightly or wrongly, will never believe that the employers are the proper people to decide what they should receive. They hold the view that some employers are always anxious to give them as little as possible, and they are increasingly in revolt against the decisions and offers of the employers, and to such an extent that they will not even abide by the written agreements of their chosen leaders.

Such conditions can only lead to chaos, and the only remedy which I can see is for the Government to take over this matter. It ought to be possible for the state to frame some arrangement by which no strike or lockout should be permitted until the matter had been fully discussed by the local authority and—if that body was unable to settle the question—by the central authority.

None of the devices at present existing seem to me to meet the very serious needs of the time. Whitley Councils and the rest are well enough until there is a dispute. But directly a dispute arises you become conscious of the need for some authority such as only the state can possess, to say that there shall be no contest until the matter has been fully threshed out before an agreed tribunal.

Such an authority, and nothing less, can put an end to the present condition under which a few hundred men can stop the work of thousands of other employees with whom the employers have no quarrel, and who have themselves no quarrel with the conditions under which they work.

WE OWN AND OFFER

Municipal and School Bonds

CREDIT CANADA
LIMITEE
Dominion Express Building
Montreal

English Capital Negotiating for Davidson Consolidated Stock

In the past we have consistently and with good judgment advised the purchase of shares in Davidson Gold Mines, Limited. The soundness of our advice has been confirmed by the recent consolidation increasing the area to more than 400 acres, thereby providing and furthering plans for the rapid and adequate development of the property.

We view this consolidation as a great stride toward bringing the mine to the status of such sterling gold producers as the Hollinger and McIntyre, the future of which had been provided for in a similar manner.

English interests are negotiating for the purchase of a substantial block of the consolidated company's stock at something better than 75c a share, a fact which speaks for itself.

Stock of Davidson Gold Mines Carries a Bonus
Shares of the Davidson Gold Mines are now exchangeable in the proportion of four shares of new stock for three of the old.

F.C.Sutherland&Co.
Stock Brokers
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211 McGill St., Montreal

BRAZILIAN TRACTION

A selling movement in Brazilian Traction this week was accompanied by a lot of street gossip, but nothing which gave a satisfactory explanation. Whether or not the drop in British exchange might have some indirect influence was not made clear. The movement was largely confined to Montreal where the price declined as low as 50 as compared with a high of 57¼ last week.

AMES-HOLDEN

When Ames, Holden, McCready common dropped to 44 this week it represented a loss of ten points from the best of July and 4 points from the high of the present month. The preferred during the same period has declined from 101¼ to 92½.

HURT ENGLISH TRADE IGNORING EXCHANGE

Protests of Council of Montreal Board of Trade Against Ocean Freight Rates and Duties

In several directions Canadian importers have been discriminated against in connection with the lowering of the rate of exchange with Great Britain and have not received the advantage in the decline from the normal of $4.86 2-3 to a low of $4.12 this week, a difference of over 70 cents, or over 14 per cent.

In one case, THE FINANCIAL POST learns, the council of the Montreal Board of Trade has sent in a protest to the steamship companies that rates on goods shipped as freight have been collected in Canada on the basis of the old par. In this way the companies have profited at the expense of Canadian importers, manufacturers, jobbers and retailers alike. In this protest it is suggested that the current exchange rate come into effect in connection with the charges, at least until normal conditions of exchange are restored. Freight costs on goods entering from France and other countries have been subject to current exchange rates so that the present system really discriminates against trade with England.

A second case is where the duty charged on the value of goods is fixed on the normal rate of exchange instead of the current, and therefore has been much higher than it otherwise would. The council has therefore petitioned the Minister of Customs to make such changes in the regulations as will permit the valuation for duty on the basis of the current rate of exchange at the time of shipment.

TROUBLE AHEAD FOR MONTREAL BUILDERS

Contractors as Yet Are Standing "Pat" on Ultimatum of Various Trades

MONTREAL—In Montreal building circles the greatest uncertainty exists in regard to the outcome of the first of September. A short time ago the various trades, covering fourteen organizations, sent an ultimatum to the Builders' Exchange stating that unless certain terms were agreed to, including a regular scale of minimum wages, that a strike vote would be taken by August 23rd, and that if this were in the affirmative a general strike would be called for Sept. 1st. Up to the present THE FINANCIAL POST understands the contractors have taken no action, and are disposed to allow the first of the month arrive to see just what will happen. As a matter of fact there have been no wage agreemnts in force in the different trades for about four years although wages have gone up a number of times since the beginning of the war. But the scale that was last demanded was felt to be excessive by the contractors, and the increases that have been granted were rather in the nature of individual than ones embracing all the men of that particular trade. The biggest increase demanded is that of the plumbers, who are now receiving about 60 cents an hour and are asking 90 cents. The wage paid in 1915 was 37½ cents an hour; in 191, 40 cents; in 1917, 42½ cents; in 1918, 45 to 50 cents, and this year 60 cents is the usual wage. The advance asked is thus 50 per cent. Among the other figures demanded are the following: painters, 5 cents; plasterers, 80 cents; steam fitters, 90 cents; iron workers, 50 to 75 cents; carpenters, 75 cents; bricklayers, 75 cents, or 85 when on sewers or conduits, and so on. The total number of men concernd are in the fourteen trades is 15,000, but the feeling amoung the builders so far as it could be sized up by THE FINANCIAL POST, was that there was little likehood of any large number of men going out on the first of the month.

On the other hand the extreme uncertainty in the building trades as to conditions in the near future, and whether the men will or will not go out, is holding up the starting of a great deal of work that otherwise is ready.

F. N. BURT

The strong showing of F. N. Burt continues, 97½ now being bid for the common, which is the best of the year. The same figure is also offered for the preferred.

DOMINION BRIDGE

The weakness of the market for Dominion Bridge has continued of late with the price declining to 99. During the first months of the year it sold at 123.

DOMINION CANNERS

Dominion Canners common is 47 asked and only 42 bid. This compares with high sales last month at 59. The preferred is 90 asked, showing no change.

ROGERS

William A. Rogers common has gone as high as 56¾ recently and is now 55 bid. This represents a substantial gain. The stock was neglected around 25 early in the year. The preferred now brings 85 as compared with 65 in February.

NIAGARA RAIL STRIKE

Buffalo Organizer Brought in to Take Charge

All departments of the Niagara, St. Catharines and Toronto Railway went on strike Thursday morning, completely tying up traffic. The men struck because of the dismissal of some of the conductors of the line. "I am surprised that an organization of men could strike for such a reason," said General Superintendent Oliver. "We have corroborative evidence to prove that the discharged conductors were defrauding the line."

The strike is being controlled by a Buffalo man, Organizer Kolb. He demanded to see the evidence upon which the dismissal of Conductor Bell was based, but Mr. Oliver stated that as the evidence belonged to the Department of Justice he could not hand it over.

URGE MORE CANADIAN PULP AND PAPER

Support of Powerful Papers Secured in England for Increase Shipping Facilities

Exporters of pulp and paper in Canada report some improvement in shipping space, but complain that rates are still so high that they interfere seriously with the market for the Canadian products.

Considerable progress has been made by A. L. Dawe, the representative of the Canadian Pulp and Paper Association, who is over in England. He has secured the support of two bodies of publishers, the newspaper conference representing both the London and provincial dailies, and also that of the weekly newspaper and periodical proprietors. Both have called on the Ministry of Shipping to facilitate the importation into England of Canadian pulp and paper. Speaking for the former body, Sir George Riddell, the chairman, declared that it was obviously desirable "that Canadian pulp should be used by British paper makers in preference to Scandinavian pulp. Furthermore, the home mills are not producing sufficient paper to satisfy home requirements, consequently it is necessary to supplement home supplies by purchases from Canada and Scandinavia. In the national interest the newspaper trade prefer to buy from Canada, and are of the opinion that the Government should endeavor to provide the necessary transport facilities." The Shipping Controller has replied that he will be prepared to give this the utmost consideration.

NEW STEEL COMPANY

A Big Plant is Being Projected at Brockville

A charter for $8,000,000 was issued on August 13, to the Consolidated Iron & Steel Corporation, Limited, a company of Detroit and Toronto parties engaged in the mining business. The company has opened a large hematite mine on the C. N. R., in the county of Leeds, 25 miles north of Brockville at Furnace Falls, where they have 1,500 acres. The city of Brockville has offered inducements to the company to build a pig iron smelter there and it is being seriously considered as there is a surplus of electric energy at a low rate.

Their other property consisting of 2,500 acres is located at mileage 182 on the Algoma Central Railway. This has been gradually developed since it was discovered in May, 1911. Up to the present time permanent camps have been built and diamond drilling has been carried on from November, 1917, to July, 1918, proving up large deposits of ore to a depth of 500 feet. Work on both properties is now being carried on, thousands of tons already being piled up at the Furnace Falls mine ready for shipment.

NATIONAL BREWERIES

After moving up to 180 and slightly better this week National Breweries common showed a tendency to ease off again and went back to 175. It was reported in Montreal that a reorganization of capital of the brewing enterprise at the present time is improbable, but that owing to the prosperity now being enjoyed in the trade the shares would in all probability be shortly placed on a 10 per cent. dividend basis, with an issue of new stock some time in the future. Whether this policy had been decided upon in the way of a compromise between the several interests represented on the Board of Directors was not available information to-day, but the report possessed elements of substantiation hitherto lacking in rumors affecting the market fortunes of the shares. At 175 the placing of the stock on a 10 per cent. basis would give a yield of approximately 5.7 per cent., so that such action would seem to have been substantially discounted.

WESTERN GAS

Canadian Western Natural Gas Company earnings remain almost sationary. There was a drop of $4,600 in June, but the aggregate earnings from October 1 to June 30 showed a slight increase from $925,724 to $935,443.

B.C. ELECTRIC

British Columbia Electric Railway Company and associated companies show gross earnings for June of $411,605, a drop of $77,268 from last year. Working expenses also fell and the net decrease in income is $51,276.

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TEXTILE STRIKE HAS COLLAPSED—EMPLOYEES BACK

Company's Original Offer of 10 Per Cent. Advance Accepted

WORKING OVERTIME

When Cooler Weather Comes to Catch Up—Spring Price Lists—No Public Bond Issues Now

By Resident Representative

MONTREAL.—The present week has been a most satisfactory one for the Dominion Textile Company as it has seen the collapse of the strike that held up production for several weeks. It is stated that the great majority of the employees have gone back to work on the terms originally offered by the company, a ten per cent. advance in wages. The 55-hour week will remain as it was before. When the operators received the company's offer they refused to entertain it and made a demand for an advance that would have meant nearly 50 per cent. increase in the wage scale. The company refused to grant the demand and the employees at several of the mills went out. A number at the outside mills remained working, however, and the rest at last decided to accept the first offer. The stoppage of work has thrown the mills behind in deliveries, but it is understood that there will be double shifts as soon as the hot weather is over and the overtime arrangements will serve to recover much of the lost time.

Prices have been issued to the jobbers for spring goods, and these are about the same as in March last, the April reductions being wiped out. Thus the prices quoted for 1920 are just about the level of the high prices of last spring, the increase in wages, and unfavorable exchange rate, with the continuance of the 7½ per cent. duty on the raw cotton being responsible for the prices being kept up as raw cotton has shown no sign of much of a reduction as the basis of costs.

Bond Issue Coming

While the agreement with Canadian Cottons will make it necessary for an issue of $1,500,000 bonds before the first of September following the special meeting next Tuesday, there will be no need for a public issue of bonds, which anyway the War Loan campaign would have interfered with seriously. There is no money required at once as the cash payment of $875,000 will come out of the surplus on hand.

The stock showed a firmer tendency this week, and the gradual return of the market to normal—if and when it does—should mean an advance in this stock with the rest.

CANADIAN CAR ARREARS

Misunderstanding Among Some Shareholders Over 3½ Per Cent.

Some misunderstanding seems to have arisen in regard to the recent announcement of the Canadian Car and Foundry Co. of their intention to make a further payment on their arrears. The payment on the arrears amounted to 1¾ per cent., and in addition, of course, there was the regular payment of 1¾ per cent. on current dividend, making a total for the quarter of 3½ per cent., but of this only one half is on account of arrears. Some time ago it was announced, after the first payment had been made last year, that the balance owing was 26½ per cent. The official figures as given to THE FINANCIAL POST this week put the arrears after that payment late last year at 26¼ per cent., which would leave a balance now owing to the preferred shareholders of 24½ per cent. All the current dividends on the preferred are being met, and it is understood will be met, and the balance of 24½ per cent. will be paid off from time to time as the business and liquid position of the company permit.

INTERNATIONAL PAPER

With the probabilities that all Government regulations will be removed before the year is out, New York interests which in the past were very bullish on International Paper are beginning to discuss the possibilities of this stock as soon as market conditions return to normal. The demand for paper has seldom been better, with a likelihood of growing greater, and it is said the paper companies are getting double domestic prices for all export business. The way the stock has acted in recent markets has been disappointing, but appearances are that all offerings have gone into the same hands which engineered the advance to 71 on July 21. While the stock is somewhat under the influence of the agitation against high prices, it looks as though the company is in store for substantial earnings for some time to come, and a return to its former high level is predicted in some quarters.

WINNIPEG ELECTRIC

Gross earnings of the Winnipeg Electric Railway in June were not sufficient to pay the working expenses and there was a deficit of $35,190 for the month. The net earnings of the company in June, 1918, were $74,858, which makes the total decline in net revenue $110,048.

RECORD FOR RITZ CARLTON

Biggest Summer Since the Montreal Hostelry Was Opened

By Resident Representative

MONTREAL.—The big tourist trade this summer is making this season of the year the best the Ritz Carlton of Montreal has yet expreienced, THE FINANCIAL POST is informed. The house is filled to capacity, and has been for weeks past, and the management expect that there will be a large influx of guests for September as well. The larger portion of the tourists would appear to be from the United States, whither they come in large parties. The cutting down of the bar business was of course a blow to the revenue of this hostelry, but from now on it is expected that the receipts and net revenue from guests will grow steadily and soon enable these to meet the bond charges.

ACADIA STATIONARY ENGINES ORGANIZED

An Issue of $60,000 of Preferred Stock Carrying 30% Bonus of Common

By Special Representative

HALIFAX.—The Acadia Stationary Engines, Limited, is a company that has been organized at Bridgewater by the same men who have made a success of a similar company on the La Have River—Acadia Gas Engines, Limited The latter builds marine engines, and the former, as its name signifies, is to confine itself to stationary. The career of Acadia Gas Engines is noteworthy in the rapid success attained. It is one of seven companies making marine engines in Nova Scotia, and its has the reputation of turning out more engines of the particular type to which it devotes itself, than does any other company in the Dominion.

The new concern, Acadia Stationary Engines, Limited, has taken over the business of the parent company in the stationary engines department, which received only common shares for their organization and good will as to that part of their business. The new company receives the whole proceeds of the preferred stock issue. The capitalization is: preferred, authorized, $100,000, of which $60,000 is issued; common, authorized, $100,000, of which $80,000 is issued. The price of the preferred shares, which have been all disposed of, was 100 per cent., carrying 30 per cent. of the common as bonus. The directors are the same as those on the board of Acadia Gas Engines, Limited. W. T. Ritcey, Bridgewater; William Duff, M.P., Lunenburg; G. A. Hubley, Bridgewater, and R. W. Elliott, Halifax; the last-named being the managing-director of the Nova Scotia Trust Company.

DOMINION STEEL HELD UP

Closing of Sydney Plant Did Not Hurt Market

The announcement of the closing down of the Sydney plant of the Dominion Steel Corporation, owing to lack of orders following the last one for billets, did not have an adverse effect on the stock this week, even in the soft condition of the market. As a matter of fact the action had been discounted before, and the company is making the best of the situation by carrying on needed repairs, and giving all its employees, who can take it, work on the new plate mill.

APPROVE 6 CENT FARE

Moose Jaw Street Railway Gets Concession

MOOSE JAW.—Moose Jaw City Council has ratified the amendments to the Street Railway Franchise, which the Company declared were essential if they were to continue to operate. The concessions must be approved by the ratepayers before becoming valid.

Under the agreement, the company is permitted to charge a six cent fare and to operate one-man safety street cars. The city agrees to suspend until the franchise is completed, all debts of the company to the city and to accept 80 per cent. of the net profits after provision has been made for a dividend of 6 per cent. a year, and for the setting aside of $20,000 a year as a sinking or renewal fund for all repair and maintenance of equipment. The company agrees to resume the operation within six months of the South Hill Belt Line and within the same period to complete and commence operations on the Hall Street Line.

GRAND TRUNK

There is a noticeable decrease in the net revenue of the Grand Trunk Railway for the month of June as compared with the figures for the same month last year, due to the increase of over £120,000 in operating expenses, and a decrease in receipts of £23,500. The aggregate for the first six months of this year, however, shows an increase in net revenue of £141,900. The figures are as follows:

Revenue For Month of June

	1919	1918
Gross receipts	£1,016,700	£1,040,200
Expenses	954,400	832,600
Net	£ 62,300	£ 207,600

Decrease in net rev[illegible]00.

THE WHEAT PRICE AND MILLING TRADE

Millers Fear They May Have to Help Bear the Government's Burden

If the Government is compelled to make up the difference between the minimum for Canadian wheat and the British price, there is a feeling that the restrictions on milling profits may be made more severe as one means of making up the deficit. Any such possibility is looked upon with a good deal of apprehension by the milling industry. For some months past, it is claimed, they have been selling at an actual loss, the funds assessed from the mills for carrying charges on wheat ran out some four months ago, and since the first of May the mills have been compelled to themselves assume the carrying charge of from three to four cents a bushel on wheat, which is equivalent to 10 cents a barrel, a figure that pyramids with each added month, so that August flour is costing on this basis 40 cents a barrel more than April flour. Despite that fact there has been no increase in flour prices during that period. As a result the mills have been running at a loss for some time. With such conditions existing and likely to exist at any time, the possibility of a further curtailment in working profits would be a serious matter.

WINNIPEG'S COAL SUPPLY

Serious Shortage During Coming Winter is Now Feared

WINNIPEG.—It would be well for all Winnipeg to realize, in all seriousness, says the *Telegram*, that this city, in common with the rest of the west, is facing a fuel situation so acute for the coming winter that it would be difficult of exaggeration. Not only have the miners of Western Canada been on strike since April, with consequent diminution of production to the vanishing point, but they are still on strike, and, in addition, it is a matter of extreme doubt whether Winnipeg will be able to get any anthracite or not, for the coming winter months.

Strikes, transportation difficulties and the definite expectation of a marked increase in freight rates on U. S. roads within a month—an increase which is practically certain to be paralleled in Canada—render the situation such that in the first place the city is likely to be short of coal and in the second place, that consumers will have to pay more to get what proportion of their requirements they may be able to secure.

BIG PAPER DEMAND

Present Consumption Reaches High Point of the Year

NEW YORK.—Manufacturers of practically all kinds of paper report large demands for their product which this month has reached its highest point for the year and gives indications of increasing still further. Products in which heaviest demand is noted are writing paper, wrapping paper, paper bags, paperboard and its products, fine paper and book paper. Newsprint is not included inasmuch as this branch of the paper industry did not have to face any severe readjustment following the signing of the armistice. Newsprint prices have been regulated by the Government and in view of the small stocks on hand demand has continued steady since the ending of the war.

25.000 H.P. FOR PAPER PLANT THREE RIVERS

Mammoth Pulp and Paper Mills Started by International Paper Co.

By Resident Representative

MONTREAL. — Work started at Three Rivers this week on the huge plant of the International Paper Co., which is expected to cost about $4,000,000. This will produce pulp and paper of all grades and employ about 3,000 men. Negotiations are being conducted for a supply of power, which, THE FINANCIAL POST is informed, will reach 25,000 horse power. This company is the largest producer in the world in these lines.

CANADIAN NATIONAL

Gross earnings for the Canadian National Railways for the week ending August 14 were $1,891,104, an increase of $308,033 over the same week last year. From January to date the gross earnings were $51,369,354, an increase of $6,062,467 over last year's figures.

CANADIAN PACIFIC

The Canadian Pacific Railway reports approximate earnings of $3,298,000 for the week ending August 14, an increase of $539,000 over last year's figures. The number of miles operated was 13,388.

WESTERN CANADA FLOUR

The Western Canada Flour Mills Company reports a continuance of very satisfactory business, more business in fact than it is possible to handle owing to the scarcity of wheat stocks. The movement in the common stock of the company has practically died out. It is generally understood that the sudden interest was due largely to stock manipulation, though it is generally conceded that the stock is a sound investment at the figure.

G.T.P. ANNUAL.

The annual meeting of the Grand Trunk Pacific Railway Co. will be held in Montreal on Sept. 16. The meeting this year will be under the abnormal condition of the Government being in control.

Stock Movements of the Week

Week ending Aug. 21; close Aug. 21.

	Ask	Bid	High	Low	Close	Sales	Yield to Aug. 14
Banks—							
Commerce	199	...	199½	190	...	21	6.44
Dominion	...	205	...	...	...	...	5.94
Hamilton	...	189¼	190	190	...	17	6.38
Hochelaga	...	...	...	...	...	...	5.69
Imperial	200	199	199⅞	199	...	5	6.44
Merchants	195	...	195	194	...	133	5.69
Molsons	...	190	...	...	...	...	6.58
Montreal	...	...	213½	213½	...	12	5.55
Nova Scotia	...	...	277	276	...	20	5.77
Royal	216	214	215	214	...	83	5.76
Standard	215½	...	215⅝	215⅝	...	3	6.50
Toronto	196	...	...	...	...	...	....
Union	...	160½	160	160	...	12	6.17
Transportation—							
Barcelona	9¼	9	9½	8¾	8⅛	80	....
Brazilian	52	51	55½	53¼	51	988	....
Can. Steam., com. ...	54	53⅞	84	82	...	775	7.69
Do., pref.	83	82	...	...	...	...	8.23
Detroit United	...	...	101	101	...	330	7.69
Duluth-Superior	...	28	28	28	...	14	6.45
Quebec Railway	...	...	18	18	17½	100	....
Telegraph, Light and Power—							
Bell Telephone	120	118	120	119	...	113	6.77
Consumers Gas	150	...	150	150	149	20	6.62
Mackay, com.	77¾	77¼	79¾	79	...	10	7.59
Montreal L., H. & P.	...	...	91	90¾	...	236	4.25
Shawinigan	...	...	121¾	121½	...	84	5.60
Industrials—							
Ames-Holden, com. ..	...	...	44	44	...	200	....
Do., pref.	...	...	94	92½	...	307	7.14
B.C. Fish, com.	...	60	60½	...	60½	5	7.69
Brompton Pulp, com.	...	...	59¾	59	58¼	860	....
F. N. Burt, com......	...	97½	97	97	...	131	8.42
Do., pref.	...	97½	97	97	...	21	7.36
Canada Bread, com..	20	19	193¾	193¾	...	1	....
Do., pref.	...	...	80	80	...	50	5.75
Can. Cement, com....	67¼	66½	68	67½	67	370	8.57
Do., pref.	...	...	100¾	101	...	26	6.93
Can. Car, com.	35	33¾	35	35	...	285	....
Do., pref.	95½	94	96	96	...	110	7.07
Can. Converters	...	...	65	63⅝	...	50	7.57
Can. Cottons, pref...	...	...	84	83½	...	110	7.05
Can. Foundries, com.	...	...	190	190	...	535	6.00
Dominion Bridge ...	...	...	99	99	...	15	7.61
Dom. Steel Corp.....	66	65⅛	66	65¼	64⅝	510	9.09
Dom. Iron, pref......	...	...	97½	97½	...	5	7.07
Dom. Coal, pref. ...	...	...	98	...	...	15	7.14
Dom. Textile, com...	...	86	117	115	115¼	291	6.66
Goodwins, pref.	...	...	74	74	...	85	....
Lk. of Woods, com...	...	...	200	195	...	160	6.31
Laurentide	...	...	215	215	...	10	5.52
Lyall Con., com......	...	...	80	80	...	200	9.52
A. Macdonald, com...	...	...	31½	31½	30	165	....
Maple Leaf, com.....	179	177½	...	...	...	...	6.81
Do., pref.	...	105	106	106	...	5	6.60
Mont. Cottons, com...	...	...	78	70	...	25	5.71
Nt. Stl. Car, com.....	7	6½	7	7	..	15	....
Do., pref.	37	30	37	37	..	10	....
N.S. Steel, com.	74	70	...	...	..	..	5.55
Ogilvie Flour, com....	...	...	250	250	..	30	4.70
Ont. Stl. Prod., com..	...	...	33½	33	..	325	....
Pacific Burt, com. ...	33	31	32	32	..	50	6.80
Riordon P. & P., com.	...	...	132⅝	132½	132⅝	165	....
Do., pref.	...	...	99	99	..	50	....
Sherwin-Williams, com	...	...	...	...	...	...	7.00
Span. R. Pulp, com...	42	40½	41⅝	41	40½	381	....
Do., pref.	105½	104½	107	106½	..	441	....
Stl. of Can., com......	66	65¼	...	...	65½	...	8.45
Do., pref.	...	...	66¼	65¾	..	785	7.00
St. Lawr. Flour, pref.	...	...	92	92	..	5	7.36
Tooke Bros., com. ...	43	40	40	40	..	64	....
Tuckett Tobacco, com.	43	41	40	40	..	25	....
Wabasso Cotton	...	...	100	100	..	30	5.94
Wayagamack, com. ...	...	...	53	52	..	265	....

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Capital Paid-up, $1,500,000 Reserve - - $1,800,000

Assets Under Administration, $38,000,000

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of your affairs, when on your demise, your business, your securities, your personal effects are passed on to others, is one which requires experienced management in order that there may not be any financial loss to those who are left behind and also that they be not subjected to troublesome details at a time when they are mentally depressed through their bereavement. The required management may be secured by your nominating in your Will as your Executor

The Canada Permanent Trust Company

Toronto St., Toronto

PAID-UP CAPITAL - - - $1,000,000

Manager, Ontario Branch: A. E. Hessin

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876

The Imperial Oil Company, Limited

NOTICE is hereby given that a dividend of $3.00 per share has been declared by the Directors of The Imperial Oil Company, Limited, and that the same will be payable in respect of shares specified in any share warrant of the Company within three days after the coupon serial number thirteen of such share warrant has been presented and delivered at the Royal Bank of Canada, Toronto, Ontario, or at the office of the Imperial Oil Company, Limited, Toronto, Ontario, such presentation and delivery to be made on or after the Second day of September, 1919.

Payment to shareholders of record and fully paid up at the close of business on the 23rd day of August, 1919, (and whose shares are represented by share certificates) will be made on or after the Second day of September, 1919.

The books of the Company for the transfer of shares will be closed from the close of business on the 23rd day of August, 1919, to the close of business on the Second day of September, 1919.

W. T. McKEE,
Secretary.

TENDER FOR DEBENTURES

TENDERS will be received by the undersigned up till noon, on Wednesday, the Third day of September, 1919, for the purchase of $26,000.00 par value of Debentures of the Township of Brantford, Brant County, Ontario, payable in twenty yearly equal instalments of principal and interest of $2,086.31 each, payable Bank of Commerce, Brantford, interest five per cent. per annum, payable half-yearly. Interest coupons attached. Debentures dated 1st September, 1919. Issue approved by order of Ontario Railway and Municipal Board. Further particulars given on application.

JAS. A. SMITH,
Court House,
Brantford, Ont.

Dated 21st August, 1919.

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Please Ask Questions

IF you, as a subscriber to THE FINANCIAL POST, desire information on any Canadian security, or other financial matter, you have the privilege of requesting it from the publishers of THE POST. Enquiries are treated confidentially and are answered by mail. Please enclose stamp for reply.

ONTARIO INSISTS OIL ADVERTISING COMPLY WITH LAW

Companies Prosecuted For Not Giving Information to Public

TWO ARE TEXAS FIRMS

In the United States, Congress Plans National Law to Curb Fraudulent Stock Issues

In an endeavor to protect the investing public from oil companies and purely speculative ventures, that give rosy visions instead of facts in their advertisements, the Ontario Government has commenced a series of prosecutions against the companies that have failed to comply with the provisions of the Ontario Companies' Act.

At the last session of the Provincial Legislature, Hon. I. B. Lucas, attorney-general for Ontario, introduced legislation which would have required every company to submit new issues to the Government for investigation and to prove that there was a probability of dividends being paid regularly. The minister now intends that, as legislation was not secured to provide for a Government investigation into each new issue, the companies concerned shall comply with the act, now on the statute book, requiring them to give sufficient information to their prospective clients to enable them to make a personal investigation.

The act requires that before a company offers its shares for sale to the public it shall file a prospectus containing definite and accurate information as to the names, addresses and description of the original incorporators, the number of shares subscribed for, the names and addresses of directors, debts, debentures issued, etc. The Act also requires that the prospectus shall contain the names of the vendors of any property purchased or required by the company, the amount paid in cash or shares for such property, the amount of commissions upon any subscriptions or for underwriting, the amount of preliminary expenses, promotion expenses, particulars of important contracts, names of auditors and the interest, if any, of every director of the company.

Already the following individuals have been named by the Attorney-General for prosecution: Glen Craig Tobias, who is said to be responsible for advertisements of the Canada Petroleum and Refining Corporation, Limited; O. J. B. Yearsley, the Texas Globe Oil Company; A. G. Rogers, the Dollar Oil Wells, Ltd; Thomas J. Fleming, the Texas Producing and Refining Company.

Further Prosecutions

"Further prosecutions will follow," Mr. Lucas told THE FINANCIAL POST. "We intend to curb these speculative enterprises, and at the next session of the legislature the Blue-Sky law will be put through. We have tabulated the provisions of every such law, passed by American states legislatures, and the Ontario law will embody provisions to cover every case we may be called upon to deal with."

Though Canada has not been flooded with the hundreds of different issues of oil stocks that have tempted the American investor since the rising price of oils and gasoline opened a new field for promoters, this country has had its share of new ventures. All of these have not been in the "wild-cat" class; there have been companies that have paid dividends and are still good investments. Canada has large natural oil-fields, in Alberta and the Peace River district, for instance, that seemingly only need capital to open them up.

A Speculative "Game"

Drilling for oil and mining for gold are, of course, highly speculative, but it may be readily seen that a stock which pays its dividends out of the ground is likely to be well-paying if in honest hands. The only rule is for investors to thoroughly investigate before buying.

Oil stock speculation in the United States has been practically uncontrolled, and many absolute frauds have been perpetrated. It is now understood that Congress intends taking action in the matter and will pass a law requiring every company having securities to sell either to show actual value or at least good prospects of acquiring value.

NEW RECORD YEAR SHERWIN-WILLIAMS

Time Believed Near at Hand When Start Will Be Made on Common Dividends

By Resident Representative

MONTREAL.—The Sherwin-Williams Company of Canada will be able to show new high records for the year 1918-19, which ends on Aug. 31. The FINANCIAL POST is informed that for the month of July the company's business was the largest on record, far ahead of July of last year. The white lead plant, that was acquired some five years ago, is now working to capacity, and cannot turn out the volume to cover the business offered. It is believed that the time is near at hand when the company will consider it advisable to begin payment of dividends on the common stock, which so far has been neglected in the quarterly output on the preferred. Action on the common stock has been delayed by the development of the company in Australia, and in England, both of which have proved very valuable investments, and in the long run will far more than reimburse the stock holders for the delay, as future profits and dividend payments will soon surpass what would have been paid had the expansion not taken place.

NEW CAPITAL FOR LAKE OF THE WOODS

Special Meeting Called for Oct. 3rd—Fine Year's Statement Coming

By Resident Representative

MONTREAL.—In connection with the annual meeting of the Lake of the Woods Milling Company, which has been called for Oct. 3, at 3.30 p.m., a special meeting of the shareholders will be held to deal with a proposal of the Board to increase the capital stock of the company. The total authorized stock at present is $4,000,000, of which $1,500,000 is preferred, and $2,100,000 common, leaving $400,000 in the treasury that has not been issued. The new issue, the FINANCIAL POST is informed, is for the purpose of providing funds for expansion. This, in itself, will be good news for the shareholders, for it indicates the belief of the management that a very large part at least of the big export business that has fallen to the company in the last three or four years will be continued. This would mean, in the ordinary course of events, that the unusual prosperity that has marked the company's operations is likely to go on, and this feeling may have led to the advance in the common stock that was registered this week on the announcement of the increase of capitalization. The company's year ends on August 31, and another bumper report is looked for as the mills have been able to secure wheat to grind later this year than they did one year ago. Starting with a 6 per cent. dividend the present rate is 12 per cent., and the common shareholders, it is taken for granted, will be given the opportunity of subscribing to the new issue on very favorable terms.

FRONTENAC BREWERIES

Shareholders Consent to Doubling of Capital Stock and New Bond Issue

By Resident Representative

MONTREAL.—The shareholders of Frontenac Breweries, Limited, met this week and authorized the proposal of the directors to increase the capital stock of the company from $1,000,000 to $2,000,000, and to make a further bond issue of $400,000. This was supported without opposition, and steps will be taken at once to apply for supplementary letters patent. It was stated it is not the intention to issue the whole amount immediately in each case, but only as the money is required in connection with the development of the business. Orders that are coming in are several times greater than the present capacity of the plant, and already extensions have been started to cope with the demand for the company's product.

PROFITS JUSTIFIED DIVIDEND INCREASE

Hudson Bay Store Business Improves in Spite of Prohibition

LONDON.—The increase in the ordinary dividend from 40 to 45 per cent. had aroused expectations of a good report among "the company of adventurers of England trading into Hudson's Bay." These expectations are borne out by the complete document covering the 12 months ended May 31, 1919. Although receipts in the land department fell off, there was an increase of over £96,000 in fur and trading profits, which brought total net profits up to within £15,000 of last year's total. The directors report steady improvement in the store business, in spite of the cessation of revenue from liquor sales, and it is from this satisfactory state of affairs that justification arises for the increase in the dividend. Recent years' profits and dividend distributions are compared below:—

Year Ending May 31	Net Land Receipts	Fur and Trading Profits	Total Net Profits
1903	£177,857	£142,001	£319,858
1904	201,189	98,933	300,122
1905	207,364	102,969	310,333
1906	262,035	190,207	452,242
1907	283,879	177,688	481,567
1908	180,428	141,594	327,022
1909	175,476	80,391	255,867
1910	240,045	166,156	406,201
1911	548,512	159,966	708,478
1912	273,268	196,070	469,338
1913	589,926	228,324	818,205
1914	297,302	86,636	383,938
1915	2,697	30,641	33,338
1916	24,652	266,662	291,314
1917	140,777	279,708	420,485
1918	367,841	315,964	683,805
1919	262,126	406,414	668,540

Sales of farm lands for the year ended March 31, 1919, comprise 285,561 acres for £1,023,072, an average of £3 11s 8d per acre, compared with 386,373 acres for £1, 419,964, an average of £3 13s 6d for the preceding year. Sales of town lots amounted to £1,673, compared with £,1061. The company now has in hand 3,253,198 acres of land.

WHALEN'S PROSPECTS

Good Pulp, Shipping Alone Is Needed

That British Columbia pulp equals in quality the product of any country in the world, and should have a large place in British Columbia exports, as soon as shipping facilities are improved, is the opinion of James Whalen, chairman of the board of directors of the Whalen Pulp and Paper Mills, Ltd. Accompanied by Sir George Bury, president, and Mr. Henning Helin, general superintendent, Mr. Whalen has recently inspected the company's plant at Mill Creek. Mr. Whalen also said:

"Shipping facilities are, of course, of first importance, and British Columbia must develop its shipping and handling utilities. With the wealth of new products in British Columbia, it should be a much larger manufacturing centre than it is at present, and with co-operation it should become one of the greatest provinces in Canada.

"British Columbia has the last big stand of timber in Canada, and it is the opinion of the large lumbering concerns in the east that sufficient attention has not been paid by the Pacific Coast mills to the development of export markets. Lumber has not increased in price in the same proportion as many other commodities, but the present outlook is excellent. The Pacific Coast mills must make a point of going after the business, rather than wait for the business to come to them."

NIPISSING

The opening up of three new ore bodies of importance on the Nipissing will, it is estimated, increase ore reserves by 3,000,000 ounces. It therefore appears as if the condition of the mine is re-established on its old strong basis. Liquid assets totalling $4,000,000 were shown in the last financial statement. A portion of this is being used for speculation in Texas oil-fields. This is hardly a commendable policy, notwithtanding that the venture may prove profitable. We believe the money should be invested in developing the mineral resources of Northern Ontario in preference to the oil lands of Texas, which are abnormally speculative. We do not have to go beyond our own north country to find speculative investments carrying less risks and more worthy of our attention.

CANADA COPPER

The annual report of the Canadian Copper Corporation, for the year ended December 31, 1918, states that while profit was derived from the smelter at Greenwood, B.C., during the earlier months of the year, operations at the time of the shutdown November 26, 1918, showed a deficit of $19,574. This was due to a rapid increase in operating cost, poor quality of fuel and rapid fall in price of copper subsequent to the shutdown. The previous policy of setting aside sufficient each year to care for depreciation and amortization brought the total deficit to $150,587. The Copper Mountain district continues to be the main centre of the company's efforts. Construction proceeded on schedule both at the mine and mill through the spring, but strikes since then have delayed the construction of Kettle Valley Railroad four months. Work is being resumed, according to advices of July 17, 1919. The spur from Princeton, B.C., to Allenby, the mill site, a distance of four miles, has been completed. Construction of the line to the mine is proceeding. It is believed that the mill will be completed by the end of the year.

DIVIDENDS DECLARED

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE PER CENT upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the SECOND DAY OF SEPTEMBER next, to Shareholders of record of 31st July, 1919.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR
General Manager.
Montreal, 22nd July, 1919.

The Canadian Bank of Commerce

Dividend No. 130

NOTICE is hereby given that a dividend of Three per cent. upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 31st August next, and that the same will be payable at the Bank and its Branches on and after Tuesday, 2nd September, 1919, to shareholders of record at the close of business on the 16th day of August, 1919.

By order of the Board.
JOHN AIRD,
General Manager.
Toronto, 22nd July, 1919.

The Bank of Nova Scotia

Dividend No. 199

NOTICE is hereby given that a dividend of four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending September 30th and that the same will be payable on and after Wednesday, the first day of October next, at any of the offices of the Bank.

The Stock Transfer Books will be closed from the 16th to the 30th proximo, inclusive.

By order of the Board,
H. A. RICHARDSON,
General Manager.
Halifax, N.S., August 15th, 1919.

CANADA STEAMSHIP LINES, LIMITED

NOTICE is hereby given that a dividend of one per cent. (1%) on the Ordinary Shares of the Capital Stock of Canada Steamship Lines, Limited, has been declared, payable September 15th, 1919, to shareholders of record September 1st.

By order of the Board,
F. PERCY SMITH,
Secretary.
Montreal, August 12, 1919.

CANADA STEAMSHIP LINES, LIMITED

NOTICE is hereby given that a Dividend of one and three-quarters per cent. (1¾%) on the Preference Shares of the Capital Stock of Canada Steamship Lines, Limited, has been declared, payable October 1st, 1919, to shareholders of record September 15th.

By order of the Board.
F. PERCY SMITH,
Secretary.
Montreal, August 12th, 1919.

The Wabasso Cotton Company, Limited

DIVIDEND NO. 7.

NOTICE is hereby given that a quarterly Dividend of 2 per cent. has been declared on the Capital Stock of the Company for the quarter ending September 30th, 1919, payable October 2nd, 1919, to Shareholders of record at the close of business on September 13th, 1919.

By order of the Board.
S. B. CAYFORD,
Secretary-Treasurer.
Montreal, August 7th, 1919.

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Mining Engineering and Mine Management
Specialists in Paving Engineering and Testing of all Building Materials
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General Manager Western Canada
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To Yield Over 6%

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THAT Canada is the second largest pulp and paper producing country in the world.

THAT Canada exported pulp and paper products last year valued at over $99,000,000.

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THE UNION BANK OF AUSTRALIA, LTD.

Established 1837. Incorporated 1880

CAPITAL—

AUTHORIZED AND ISSUED £6,000,000

Paid-up Capital £2,000,000

Res. Fd. £2,050,000 Together £4,050,000

Res. Liab. of Proprietors £4,000,000

Total Capital and Reserve £8,050,000

Head Office: 71 Cornhill, London, E.C. 3

The Bank Has 181 Branches, viz:

In Victoria	41
In New South Wales	39
In Queensland	19
In South Australia	14
In Western Australia	21
In Tasmania	3
And in NEW ZEALAND	44

Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued—available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

SECURITY PLUS SERVICE

Depositors with this Corporation have the comfort of knowing that their funds are absolutely safe, as our assets are invested in the very highest classes of security known to experienced investors. Moreover, the large sum of $11,672,509.77, representing the Shareholders' Capital and Surplus Funds, stands between our depositors and any possibility of loss.

The knowledge and experience gained in dealing with many thousands of depositors during a period of sixty-four years has enabled us to develop a service which cannot be excelled. You are invited to avail yourself of the facilities we offer. One Dollar will open an Account. Interest at

THREE AND ONE-HALF

per cent. per annum paid and compounded twice a year.

Canada Permanent Mortgage Corporation

Toronto St. Toronto

Established 1855

A syndicate is making arrangements to erect a modern fireproof hotel of 125 to 150 rooms on the site of the Sydney Hotel, Sydney, N.S., which was destroyed by fire some months ago.

SILVER SUPPLY IS INADEQUATE TO MEET DEMAND

Effort to Cut Off Indian Competition is Being Attempted

MEXICO'S PRODUCTION

Has Not Been Sufficient to Meet Larger Needs—Strike in the Cobalt Mines a Big Factor

NEW YORK.—In these days of shortages of all sorts of goods it is not altogether strange that there should be also an inadequate supply of precious metals used in exchange for merchandise and foodstuffs. Yet an extraordinary commentary upon the international position of silver and gold has been supplied in the British Government's action in voluntarily increasing the gold purchasing power of the Indian rupee. From one point of view it may be argued that the marking up of the silver rupee represents merely an acknowledgment of the rising price of silver, now close to the highest levels seen in many years, but bankers see underneath it an effort to reduce materially the absorption of silver metal by the people of India. In other words, the enhancement of the rupee's value, in terms of gold, is looked upon as an attempt to conserve the world's supply of silver by cutting off, as far as possible, one of the largest consuming markets.

For some time, until last week, the gold sovereign would buy 15 rupees in exchange, the Indian coin being equivalent to 1 shilling 8 pence. Under the new rule, which empowers the Ottawa branch of the Royal Mint to sell exchange on the basis of 1 shilling 10 pence to the rupee, the sovereign, or pound, is equal to no more than about 10¾ rupees. Thus the gold purchasing power of the rupee has been increased substantially, and it is understood that through this measure the British Treasury hopes that Indian trade balances will be settled in gold instead of silver. Incidentally, the effect will be to reduce the balance of trade which has been piling up in favor of India ever since the war began, and thus necessitate smaller shipments of metal to the Far Eastern country.

With the value of the rupee on a higher scale, it will require more sovereigns to buy raw material in India than before, which, in effect, works as an expansion in the selling price of Indian goods and militates against exports from that country. From the opposite point of view the rupee will buy more sovereigns in exchange than before the rupee was marked up, which will tend to increase imports into India, as the selling prices in foreign markets will be lowered by the altered relations between the two currencies. As India imports an increasing amount of outside merchandise and suffers a decline in her exports, the trade balance will begin to run less in India's favor and the necessity for large settlements in either gold or silver will be lessened. This is the theoretical aspect of the situation, and it remains to be seen how it will work out. Bankers expect that the effect will be seen gradually.

The most significant factor from the public standpoint is the positive indication in the British Treasury's decision that supplies of silver are not equal to the world-wide demand. India and China have always been the heaviest consumers of the metal, and it is axiomatic in banking circles that the silver which goes into India never comes out. It is hoarded in the shape of coin, and converted into ornaments to the extent of millions of dollars each year. Chinese practice parallels that of India to a certain extent, although the major use of silver in the Celestial country is as coin for use in domestic commerce and business. The two countries have long been absorbing approximately 60 per cent. of the yearly output of the world's mines, and with production greatly shrunk for one reason or another, it is not surprising that financial authorities of the Western nations have become concerned over the outlook.

In respect to production it might be well to consider the situation as it exists to-day. Seventy per cent. of all the silver produced comes from the North American continent. In the last twelve months it is estimated that Mexico's output has been increased 15 per cent. over the total of recent years, since revolution first began to upset industry and mining south of the border. This is a matter of considerable encouragement to silver merchants and Government coining agencies, and would promise much relief were it not for counterbalancing factors. With the copper mines of the United States working at no higher level than 50 to 60 per cent. of capacity of the war period, a great shrinkage has occurred in their output of silver which comes as a by-product. Then a protracted strike has practically eliminated for some time past the production of the Cobalt mines of Canada. From these mines have been derived between 10 and 15 per cent. of all the metal brought to market throughout the world. Therefore, it is calculated that the gain in Mexico really has done nothing to expand the total production.

In reviewing the consumption, outside of the Far East, it is well to consider the situation which has developed with the establishment of the new nations of Europe. Poland, the Republic of Hungary, Czechoslovakia, and others presumably will require individual currency systems, and inasmuch as the acquisition of gold in large amounts is out of the question, it would seem as though silver will have to be used in great part as cover for currency issues, as well as medium for actual circulation.

KIRKLAND LAKE DEAL IS CRITICIZED

London "Statist" Would Prefer to See More Development Work

"We have previously criticised the apparent preference of the Kirkland Lake group administration for financing schemes rather than development work," says the Statist, London, which continues. "The result is that after many years of optimistic talk regarding the rich prospects of Kirkland Lake gold deposits on properties belonging to the group of companies, there is practically nothing tangible to show yet. Now it is proposed to have a big amalgamation of interests, and consequently a new company has been formed with a capital of £1,000,000, in £1 shares, of which about 800,000 shares will be exchanged for shares in existing companies and approximately 200,000 shares will be available for providing working capital for the development and equipment of the four separate properties acquired. Three of these are gold-bearing, situated on the Kirkland Lake field, Ontario, and the other is a silver "prospect" on the Cobalt field. The other two concerns included in the scheme merely hold shares in the property-owning companies. We append the names, the basis of exchanging shares, and extracts from the engineers' reports on the properties indicating the present position:—

Kirkland Lake Prop.—2 for 1 (holding company).

Sudbury Syndicate—5 for 4 (holding company).

Tough Oakes G.M.—1 for 2. "There is only a small tonnage of ore reserves in sight," but further development should open up further ore and enable mill to re-start.

Burnside G.M.—1 for 2. "It has numerous veins upon which little actual development work has been done."

Sylvanite G.M.—3 for 8. "Development may confidently be relied upon to open up valuable ore bodies."

Aladdin Cobalt—2 for 7. The engineer speaks of the reward to be reaped from "a single high-grade vein, which might be met with almost anywhere on the property."

NORTHWOODS DRILLING

Active Operations In the Town of Timmins

TIMMINS. — From behind the Timmins Rink a diamond drill outfit can be seen at work a short distance west of Moneta and south of the town of Timmins. This diamond drilling is being done by the Northwoods Mining Company, of which C. B. Morgan is the local representative. The Northwoods Company is a corporation made up of New York interests holding considerable claims and properties in the North land. On the sand plain west of Moneta and south of the town they own eighty acres, and their hope is that on this property they will locate extensions of the Hollinger veins.

HOLLINGER BUYS STORE

Going Into Retail Business to Benefit Workers

TIMMINS.—This week the Hollinger Gold Mines purchased the J. P. McLaughlin store and stocks, and the store is now closed for the taking of stock, after which it will open up as a Hollinger store and the purpose is to do everything possible to make matters easier for the employees in the question of the cost of living. "We are doing everything possible," Mr. Brigham said, "to help the men employed by the Hollinger. We want them contented and pleased. The Hollinger stores will mean an all-round reduction for them of at least fifteen per cent. as soon as everything is working smoothly."

CONSOLIDATED SMELTERS

Ore receipts at the Trail smelter for the first seven days of August were 7,611 tons, of which 3,728 tons came from Sullivan and 1,837 tons from Centrt Star Mines, respectively. Ore from other than the company's mines amounted to 1,978 tons. The total receipts from October 1, 1918, to date were 278,013 tons, of which 143,289 came from Sullivan, 62,382 from Centre Star and 19,356 from Emma. In the same period ore from mines other than the company's totalled 50,362 tons.

NEW COMPANY AIMS TO DEVELOP MINES

Prospectors Development Co. To Link Up Capital and Claim-Owner

Organized development of promising mining properties in Northern Ontario, to replace the present numerous cases of exploitation of claim-holders by mining brokers, is planned by the Prospectors Development Company, which has just been incorporated. The company is capitalized at $2,000,000, divided into $1 shares. There has been no promotion stock issued, the entire stock remaining in the treasury. Among the men identified with the enterprise are the following: John B. Holden, Toronto; Harry Oakes, president of the Lake Shore Mine; H. H. Johnson, of the Tough-Oakes, Mines; William Wright, of the Wright-Hargreaves Mines; Mr. J. W. Bain, of Bain, Bicknell, MacDonald and Gordon, lawyers, Toronto.

The company aims to put prospectors and claim-owners in touch with persons who are willing to invest their money in exchange for a defined interest in the properties. A number of experienced mining men have already subscribed to a large block of the capital stock of the company, in order to provide the funds to develop claims registered with the company by prospectors.

Owners of claims that show promise, can record them with the company, and if an investigation proves that the proposition is a safe one, the company may refund the recording fees and allot the owner a block of the one hundred shares in the capital stock of the company. One hundred thousand shares have been set aside for this purpose. The company will keep a register of such claims, showing their name, location, date of staking, etc., and also nature and character of ore, together with the price and terms of payment asked by the owner, which he will be at liberty to vary from time to time if he chooses. If both parties are agreeable, after the claim has been entered on the company's books, the company may pay for the assessment work to be done, for which they will receive a one-tenth interest in the property for each year's assessment work done and paid for. If the company does not care to develop the property they will endeavor to sell it to another purchaser, and they will receive 10 per cent. of the purchase price as commission.

DAVIDSON

Cross-cutting from the station recently completed on the 600-ft. level is now in progress. The vein is distant only a few feet and the ore should be broken into at almost any time now. Diamond drilling has indicated that a section of the vein carries very rich gold values, anticipated to show up equally good in the cross-cut. Meanwhile, the mill is running at capacity. A sawmill, recently purchased, will be installed in the course of the next few days and put into commission to cut lumber for the mill building addition. This mill will greatly expedite work as well as afford a considerable saving in the cost of lumber.—F. C. Sutherland & Co. market letter.

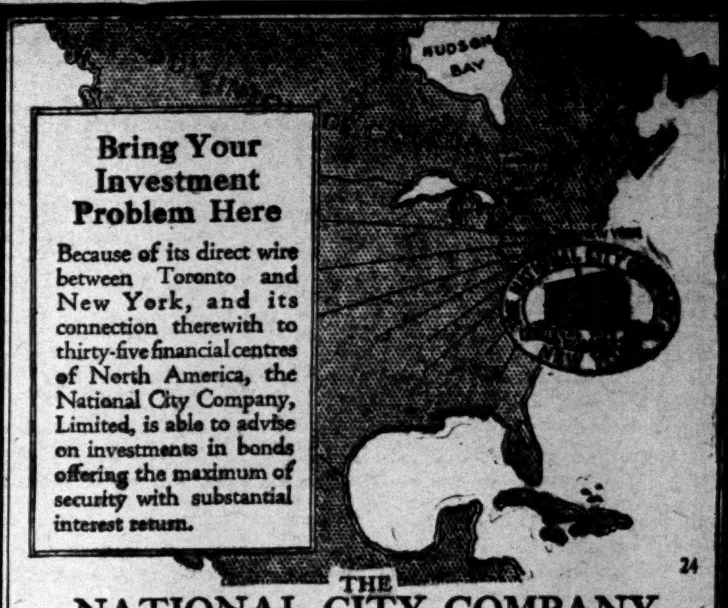
DOME

A representative of H. B. Wills, at Porcupine, reports that development work on Dome Extension is being pushed ahead, there being two drills drifting and two stoping ore, running three shifts a day. The ore body has now been cross-cut at three different intervals of 75 feet each and shows commercial ore for the entire length. The drift is now 55 feet east of the last cross-cut and has only another 20 feet to go before the big ore body will be cross-cut again. This ore body is on the 600-foot level, and promises to be of the first importance. The ore taken out in this development has been milled through the Big Dome mill with good results. The opinion of mining men here makes it imperative that the Big Dome must exercise its option on Dome Extension. When the option is exercised every 30 shares of Dome Extension will be exchanged for one share in Dome Mines.

A PORCUPINE MERGER

While no new developments have been reported regarding the proposal for the amalgamation of the Porcupine Crown and the Thompson-Krist, a Porcupine opinion is that such a merger would be beneficial to both concerns. The Porcupine Crown has about $275,000 in cash in the treasury, with about half a million dollars' worth of ore, and a fully equipped mining plant. On the other hand the Thompson-Krist has about $20,000.00 in cash and 600,000 shares in the treasury. The Thompson-Krist has practically only a shaft down about 100 feet, but of little use on account of the fact that it is not on the ore body. The best development on Thompson-Krist so far has been from the V.N.T., but the Thompson-Krist has had to pay good prices for this development. The Porcupine Crown and the Thompson-Krist properties are adjacent and a drift from the Porcupine Crown would encounter the Thompson-Krist vein at the 400-foot level, at which point all development work on the property has been done. The amalgamation would add to the promising area held by the Porcupine Crown and at the same time it would mean a more economical development of the Thompson-Krist, from the shareholders' viewpoint, and in other ways it is considered by many as a good proposition for both companies.

Crown Reserve has bought two claims at Larder Lake. The two claims in question are located six claims north-east of the Harris-Maxwell, the big mine of the Associated Gold Fields, and about an equal distance south-east of their other properties, the Ker-Addison and the Reddick properties.



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MONEY BANKING AND EXCHANGE

BANK CLEARINGS SHOW LARGE LEAD OVER LAST YEAR

Four Cities Note Decrease, But Grand Total is Well Ahead

WINDSOR UP 96%

Figures For All Canada Show Increase of Over 20%, and East Goes Over This Figure

Bank clearings for the week ending August 21 again showed a large percentage of increase for the whole Dominion, though four cities fell below the record for the corresponding week a year ago. Hamilton clearings dropped 1.4 per cent., and Halifax fell away .6 per cent. Lethbridge was again below last year's figures, and in Medicine Hat a decrease of 8 per cent. was noted. The figures for all Canada show an increase over last year of 20.2 per cent., amounting to $58,989,265. Among the cities that show a lead over last year, Windsor stands out with 96.4. The figures for Montreal were 26 per cent. increase, and for Toronto 29.2 per cent. increase.

The following table shows the clearings for each city, and the increase, or decrease, as compared with last year's figures:

WEEKLY BANK CLEARINGS
(In comparison with same week last year.)

	Aug. 21, 1919	Change	%
Eastern Cities			
Montreal	$ 108,785,870	+$ 22,543,095	26.0
Toronto	77,641,996	+ 17,551,443	29.2
Ottawa	8,345,944	+ 2,429,590	41.06
Hamilton	5,802,859	— 82,601	1.4
Quebec	5,315,871	+ 614,920	13.0
Halifax	4,164,290	— 28,956	.6
London	3,025,577	+ 815,980	36.9
St. John	3,289,607	+ 945,127	40.3
Brantford	1,097,000	+ 221,285	25.2
Peterboro	749,692	+ 144,739	23.9
Sherbrooke	1,033,474	+ 87,698	9.2
Kitchener	862,451	+ 280,190	48.1
Windsor	2,269,462	+ 1,114,360	96.4
Total, East	$222,384,093	+$ 46,638,670	21.6
Western Cities			
Winnipeg	$ 33,110,928	+$ 3,537,930	11.9
Vancouver	13,205,128	+ 4,124,171	19.1
Calgary	6,350,863	+ 756,806	13.5
Edmonton	4,849,398	+ 1,824,205	60.3
Regina	3,600,788	+ 1,045,176	40.9
Victoria	2,443,721	+ 345,547	16.4
Saskatoon	2,045,687	+ 589,082	40.4
Moose Jaw	1,484,232	+ 148,726	11.1
Lethbridge	679,614	— 23,983	3.4
Fort William	810,791	+ 229,670	39.5
Brandon	650,088	+ 109,342	20.2
Medicine Hat	438,882	— 38,815	8.1
New West.	617,614	+ 203,812	49.3
Prince Albert	399,206	+ 158,790	66.1
Total, West	$ 70,087,660	+$ 12,250,595	17.5
Grand Total	$ 292,471,753	+$ 58,989,265	20.2

BANKERS SHOULD BE COMMUNITY BUILDERS

General Manager of Union Emphasizes That Local Pride is Necessary

A plea for better relations between local bank branches and the communities they serve was made by H. B Shaw, general manager of the Union Bank, addressing the convention of Ontario managers in Toronto this week. The convention was one of a series being held in every province in Canada by the Union Bank, with a view to developing a more national spirit in Canadian banking. Mr. Shaw said in part:

"Local managers must be community builders and they must boost the town in which they are located. The successful manager is a student of human nature. The atmosphere of a bank should be one of welcome and service to depositor and borrower alike. If the manager is affable and desirous of serving and instructs the individual members of his staff personally along the right lines, then the whole organization will reflect a spirit of welcome and service. After all, an organization is only the reflection of the attitude and policy of the man at its head.

"The tendency has been to neglect the all-important 'Human element' in banking, but you can rest assured that it is the one big factor in successful banking. The more consideration you show to the 'Human element' in your business the greater your success and the net results —a truly efficient service."

F. W. Crispo, assistant general manager, spoke of the unique opportunity afforded bank managers of bringing about a better understanding between the manufacturers of the East and the farmers of the West.

E. M. Dawson, manager of the Foreign Department, emphasized the necessity of Canada increasing her exports and reducing imports, and he made a plea for buying made-in-Canada goods.

BANK OF ENGLAND

The weekly statement of the Bank of England shows the following changes:—

Total reserve increased	£ 203,000
Circulation decreased	223,000
Bullion decreased	19,065
Other securities increased	1,792,000
Public deposits increased	942,000
Other deposits increased	6,062,000
Notes reserve increased	239,000
Government securities inc.	5,028,000

The proportion of the bank's reserve to liability this week is 22.94 per cent.; last week it was 24.20 per cent. Rate of discount, 5 per cent.

COMMERCE

Branches of the Canadian Bank of Commerce have been opened at the following points: Rolla, B.C., under the supervision of A. J. Duthie; Powell River, B.C., in charge of J. D. Lewis; Grand Prairie, Alta., under the supervision of Mr. A. W. Pentland; Squamish, B.C., name of officer in charge to be advised later.

UNION

With the latest opening at Winkler, the Union Bank's system of branch banks in Canada has been brought up to a total of 367 branches, approximately 75 of these having been opened since the commencement of the year.

Union Bank of Canada staff changes are announced as follows: L. E. Guilbault, manager, Somerset; D. C. Moore, acting manager, Waterhole; R. R. Harper, acting manager, Cessford; C. R. Malcolm, acting manager, Ducks; A. A. Walcott, assistant manager, Winnipeg, Portage and Garry; H. P. Filleul, accountant, Claresholm; J. M. Wylie, accountant, Montreal, St. Catherine St.; J. Graham, acting accountant, Cowley; J. W. Mynarski, acting accountant, Winnipeg, Selkirk and Salter; A. E. Fawcett, assisting accountant, Saskatoon; V. E. Crawford, teller-accountant, Irvine; H. E. Irwin, teller-accountant, Limerick; J. I. Jones, teller-accountant, Carseland; W. H. Kearns, teller-accountant, Toronto, Eglinton; F. M. Lonergan, teller-accounant, Hastings; G. H. Murton, teller-accountant, The Pas; J. G. Protheroe, teller-accountant, MacNutt; C. Roberts, teller-accountant, Theodore; J. D'E. Smith, teller-accountant, Hepworth; M. G. Smith, teller-accounant, Winnipeg, Corydon & Lilac.

The delegates at this week's convention of Union Bank managers in Toronto included: A. Leslie, Barrie; J. M. Moffatt, Belleville; W. C. Young, Brampton; S. Neale, Campbellford; G. H. Heald, Canfield; W. G. Dulminge, Cooksville; G. B. Clarke, Dundalk; W. Hodgson, Erin; W. Jones, Essex; W. H. Westbrooke, Fenwick; A. S. Wilkinson, Galt; F. Woolcombe, Gooderich; C. Evans, Guelph; F. E. Walker, Hagersville; W. O. Hogg, Hastings; E. M. Goode, Hepworth; Wm. Brown, Kingsville; A. C. Milne, Kitchener; W. B. Dunn, Leamington; J. R. Dier, New Liskeard; J. A. C. Cuthbert, Owen Sound; G. A. Campbell, Peterboro: C. R. Beamish, Picton; H. G. Small, Ridgetown; R. H. Killaley, St. Catharines; H. L. Lee, Shelburne; H. G. Parrott, Smithsville; W. S. Martin, Stirling; D. M. MacGregor, Thornton; A. C. Hoffman, Warkworth, and the Toronto branch managers: D. M. Neeve (King and Bay), N. H. Brown (Bloor and Clinton), R. E. Green (Church Street), C. B. Marsland (Gerrard and Greenwood), R. F. King (Pape and Danforth), and J. Rennie (Teraulay Street).

GOLD TO CANADA

There has been withdrawn from the United States sub-Treasury gold coin aggregating $125,000 for shipment to Canada. The latest withdrawal of gold bars from the United States Assay Office includes bars to the aggregate of $1,554,200 for France and $320,000 for England.

GERMAN MARKS IN CANADA

What is claimed in financial circles as the first purchase of German marks since the beginning of the war is reported from Vancouver, where a financial firm handled an order for the transference of $300 to Germany. This sum brought 6,000 marks at the rate of 20 marks for $1, which means that the mark has fallen to five cents in Vancouver, against the normal exchange value of 23½c. German-Austrian marks are still lower, being offered at 4c here.

NEW YORK BANK FIGURES

The actual condition of clearing house banks and trust companies of the week shows that they hold $53,095,710 reserve in excess of legal requirements. This is an increase of $1,958,140 from last week. The statement follows: Actual condition—Loans, discounts, etc., increase $45,663,000. Cash in own vaults, members Federal Reserve banks, decrease $543,000. Reserve in Federal Bank of member banks, increase $2,751,000. Reserve in own vaults, State banks and trust companies, increase $111,000. Reserve in depositaries, State banks and trust companies, $30,000. Net demand deposits, increase $8,093,000. Time deposits, decrease $4,131,000. Circulation decrease, $127,000. Aggregate reserve, $591,467,000. Excess reserve, $53,095,710; increase $1,958,140. Summary of State banks and trust companies in Greater New York not included in clearing house statement: Loans, discounts, decrease $756,400. Gold, increase $25,400. Currency and bank notes, decrease $541,200. Deposits with Federal Reserve Bank, New York, increase $1,808,900. Total deposits, decrease $4,802,300. Bank's cash in vault, $20,243,300. Trust companies cash in vault, $77,864,900.

ENGLISH BANK MERGER

The National Provincial and Union Bank of England, which has arranged to absorb the Sheffield Banking Company, has about 30 branches in the Sheffield district. The merger, which will be effected by share exchange, will make the N. P. and U. bank's deposits about £240,000,000.

NATIONAL BANK DEPOSITS

National bank deposits, as shown by reports of condition to the Comptroller for June 30, 1919, amounted to $15,924,865,000. This was an increase over May 12, 1919, of $21,069,000, the greatest which had ever been reported up to that time, and an increase over the corresponding call in the previous year, June 29, 1918, of $1,903,256,000.

It is an increase of about $8,000,000,000 since 1914, or nearly double what national bank deposits were when the war commenced.

Of the total deposits, U.S. Government deposits were $566,793,000, the net amount due to national banks was $1,134,918,000; and due to other banks and trust companies, $1,839,158,000. The amount of time deposits reported was $2,784,940,000; demand deposits, $9,106,192,000; and certified checks, cashier checks, etc., $492,864,000.

Decline in Dutch exchange, which now amounts to 10% discount, is aiding importers of Sumatra tobacco, who make payment by remitting guilders to Holland.

NEW YORK FUNDS ARE NOT LIKELY TO BE EASIER

Tendency, Foreign Exchange Bankers State, is Inclined Upward

RULING RATE 4 P.C.

How Great Britain Will Pay for Canadian Wheat Will be Guiding Factor—New Loan May Also Influence Market

Those in close touch with the situation look for the rates on New York funds to go higher than present ruling figures. The week just closed has witnessed a marked reaction towards lower levels, but the market at the close is again stronger, and the prevailing rate is four per cent. and a fraction higher. A more abundant offering of funds this week, both in Toronto and Montreal, eased the market, and this was partly due to the taking up in New York of some Ontario debentures, to the extent of approximately $3,000,000. However, the market is fluctuating from day to day, and will continue to do so, Foreign Exchange bankers state, for some time to come, with the tendency more upward than otherwise.

One factor that would operate against a high rate would be if Great Britain paid cash for Canadian wheat in New York funds. However, the opinion is expressed that this is not likely. Great Britain is likely to extend credits for the purchase of Canada's wheat, and available tonnage from New York is not sufficient to permit of it being shipped through the port of New York. The flotation of the new Government loan in the fall, if it is taken up by New York at all, should help the situation in favor of Canada.

New York funds during this week declined as low as 3½ per cent. to the buyer. This is the low rate for some time past. On Thursday the market made a sharp recovery, and at the close was ruling slightly above four per cent.

The course of exchange during the week was as follows:

Aug. 15—New York funds were extremely dull and heavy, opening at 4 5-16, with sales at rate of 4¼ to the buyer. At the close both in Montreal and in Toronto funds were offered at 4¼ to the buyer.

Aug. 16—New York funds opened heavy and weak, and were practically unsaleable during the day. Sales were made at 4 per cent. to the buyer. The close was heavy, with a strong tendency to weakness.

Aug. 18—New York funds were in much the same position as during the previous two days. Sales were made at the opening at 3⅞ and 3¾. Sales in Montreal were made at 3 11-16 to the buyer and afterwards in Toronto at 3½ per cent.

Aug. 19—New York funds sold during the morning at 3½ per cent. to the seller, but in the afternoon there was a reaction, and funds sold at 3 9-16 to the buyer. Subsequently sales were made at 3⅝ per cent. to the buyer and after the close 3⅝ was bid to the seller.

Aug. 20—New York funds made a sharp recovery. Sales were made at 3¾ to the seller here, and 4 1-32 to the seller in Montreal. Sales were later made here at 4 1-16 and 4⅛, and in the afternoon funds were marked up to 4 3-16 to the seller, at which figure the close was steady.

Aug. 21—New York funds opened strong at 4¼ per cent. Later weakness developed and funds were offered at 4 3-16 to the seller and subsequently 4 3-16 to the buyer, and at the close were offered at 4 3-32 without purchasers.

The decline in the rate of demand sterling at the close of the week to something slightly over $4.16, according to despatches, has resulted in a curtailment of exports to Great Britain. This condition of the foreign money market, it is said, should tend to reduce the price of commodities on this side. The value of the pound sterling is so low that it takes a considerable percentage above par for foreign buyers to purchase commodities they formerly bought when there was not such a difference in the exchange. A very marked increase is noted in franc exchange during the past week:

			Francs	
	Sterling	Cables	Demand	Cables
Aug. 15	4.28½	4.27½	7.86	7.87
Aug. 16	4.27¼	4.26½	7.84	7.86
Aug. 18	4.25	4.24¼	7.95	7.97
Aug. 19	4.20	4.19	8.10	8.12
Aug. 20	4.15	4.14	8.20	8.22
Aug. 21	4.17	4.16¼	8.14	8.16

Advance in Rupee

The advance in the exchange on the Indian rupee has become quite a factor in the various trades dependent on India and Ceylon for supplies. The exchange has advanced twopence in two weeks, and is now worth a shilling and tenpence halfpenny, an advance of fifteen cents from the standard level of exchange. The change is in a measure due to the rupee being a silver coin, and is of course affected by the change in the position of silver. As the rupee is the medium of exchange in dealing with India, Ceylon and Burmah, commodities from these countries such as tea, rice and beans are all affected in price as a result.

A BIG FARM ISSUE

A Half Million Dollars in Nobleford Farm

Probably the largest strictly farm bond issue ever made in Alberta has been consummated by the Noble Foundation Limited, of Nobleford, for $500,000. Papers in the transaction were filed at Calgary. The bond issue covers approximately 30,000 acres of land, owned by the Noble Foundation, Limited, at and near Nobleford, and operated by them as a grain-growing farm. It is this farm which holds the world's production record of wheat, being 54 bushels to the acre for a unit of 1,000 acres, made in 1916.

44 BRANCHES WERE OPENED DURING JULY

Nearly Eight Hundred in Nine Months Since Armistice Was Signed

Canadian banks opened forty-four new branches during July, and as no branches were closed, this brings the total net gain in the number of branches since the armistice was signed to 788, an average of over 85 a month. La Banque Nationale leads the list for July with nine new branches; the Royal Bank opened eight, Merchants Bank six, Canadian Bank of Commerce five, Standard Bank, Banque d' Hochelaga, Imperial Bank three, Standard Bank, Banque du Hochelaga, Bank of Toronto, Home Bank two each, Weyburn Security Bank, Bank of Nova Scotia, Molsons Bank, Banque Provinciale, Sterling Bank, one each.

For the nine months following the signing of the armistice the record was as follows:

	Opened	Closed
November	58	4
December	145	6
January	102	3
February	106	8
March	129	6
April	104	13
May	84	2
June	62	4
July	44	0
	834	46

Opened in July

Weyburn—Lewvan, Sask.
Standard—Marysville, Priceville, Ont.
Royal—Chatsworth, Huntsville, Lindsay, Merrickville, Ont.; Fredericton Junction, Plaster Rock, N.B.; Winnipeg, Port Coquitlam, B.C.
Hochelaga—Montreal East, Point Fortune, Que.
Commerce—Walkerville; St. Jacques, Que.; Paswegin, Sask.; Nordegg, Alta.; Trail, B.C.
Imperial—Stamford; Danforth and Bathgate, Toronto; Creston, B.C.
Toronto—Toronto, Feversham, Ont.
Nova Scotia—One in Ontario.
Molsons—Little Metis, Que.
Provincial — Riviere-du-Loup Station, Que.
Home—Khedive (sub to Weyburn); Sarnia.
Sterling—Hanley, Sask.
Merchants—Kimberley, Port Lambton (sub to Wallaceburg); Winnipeg; Kingman (sub to Tofield); Mission City, B.C.; Pouce Coupe, B.C.
Nationale—Kateville; St. Jerome; East Broughton; Courcelles; N. de-la-Salette; La Presentation; Cape Cope; St. Eugene de Grantham; St. Malo d'Auckland, Que.

ALL INVESTMENT MARKETS ARE NOW UNSETTLED

Continued from page 1.

further clouded the situation and caused careful investors to cover their position.

In the mining section the hope for a settlement of the Cobalt strike has been further deferred and the looked for demand has not materialized. With the trouble with the workers disposed of and some improvement in the market for gold, students of the situation are optimistic that there will be a strong demand for Canada's mining securities and that something approaching a boom might quite easily develop from the present low levels.

Present and Future

Looking at the present and future situation, Hayden, Stone & Co., New York, have to say:

Judging the market simply from a technical standpoint, we should be inclined to be rather optimistic over its immediate future. The drop of the last week lopped off many of its excesses, and its action since is such as to encourage a good deal of short selling. We believe that underneath the surface, a fair amount of accumulation is going on. We are inclined to think that we are seeing the worst of the labor problem right now. We do not hear so much of the emigration of labor; on the contrary, we note that there are evidences of the beginning of a reverse tendency.

From a long-range standpoint, we frankly feel rather pessimistically inclined, so far as the general level is concerned. but we believe that the technical situation is sufficiently improved, and the industrial situation righting itself enough to permit of quite a substantial temporary rise.

Japanese coal output in 1918 was 27,500,000 tons, compared with 21,083,000 tons in 1913, and consumption in 1918 was 25,980,000 tons, an increase of 7,925,000 tons over 1913.

EFFORTS TO CUT COST OF LIVING ARE SUPERFICIAL

Continued from page 1.

of this resolution, "to attain a substantial reduction in the cost of living generally, but without increase of hours of labor or reduction of wages," the promulgators of the resolution have set before themselves no mean task.

There are some 16 clauses to the resolution and as a machinery for administration the recommendation calls for:

"The appointment and maintenance in each province of a permanent government commission of, say, three members with adequate mandatory, and judicial powers to effectively administer, regulate and carry into effect the following regulations and constructive reforms relative to the distribution of all farm and factory products and raw material, including all kinds of foodstuffs, clothing, fuel, farm machinery and implements, household furniture, lumber and building material."

It might be questioned, perhaps, whether the appointment of this numerous band of Government servants would be a very effective initial step in the campaign of saving, the experiences of past years not having led to that conclusion. Some of the terms of the resolution are as follows:

The permanent abolishment of all forms of profiteering, cornering, price manipulation, wasteful methods of competition and unnecessary advertising.

Limiting the number of channels of distribution and elimination of unnecessary handling and all sources of waste in distribution.

Limitations of the number of wholesale distribution units and the number of retail and local distributors to the minimum of actual requirements.

Re-establishing the general right of purchase for cash either direct from the factory and the wholesale units in authorized quantities and at authorized cash prices (a) by any consumer, (b) by any distributor whether wholesale or retail.

That the costs of the delivery of all goods be charged as separate item in every instance.

That all packages and goods be standardized and encouragement be given to purchase by consumers of non-perishable goods in larger packages and quantities in order to reduce packing and handling costs.

The Commission to issue and distribute cash price lists from time to time and see that supplies thereof are kept at every place where goods are sold.

Establishment of a unified delivery system (for all classes of goods) in each city, limiting the number of deliveries in any given district to reasonable requirements and fixing the minimum quantity for delivery to purchaser.

That a public abattoir be established and maintained in each city in conjunction with the public market system.

That the public market department have charge of the cold storage of all foodstuffs preserved for subsequent sale in an unmanufactured state.

Other clauses call for Government fixation of prices, the establishment of public co-operative centres in all cities, and the establishment of public markets under Government or municipal control.

Do Not Work Out

Many of the schemes suggested have been tried in a small way, and been found impractical. The movement of goods from producer to consumer sounds well, but, practically, it is an impossibility. Not long ago the United States Government inaugurated a campaign to attain this result through the parcel post. Within certain narrow limits this could have been possible, and might have been a success, but for the fact that the public would have none of it, but demanded the service that only the established methods of distribution could give them.

The Unified delivery system is a reasonable proposition and is being enforced in many smaller places. In larger towns and cities, however, the plan is faced with such difficulties of organization and operation that it has been found to be largely impracticable.

As far as public abattoirs and cold storage is concerned, the city of Toronto presents a painful example. Altogether the resolution does not appear likely, even were it adopted to materially remedy a serious situation.

IMPORTS STILL RISING

Canadian Trade for July Shows Big Increase

Trade figures for the four months ending July 31 show that Canada's manufactured imports are still on the rise. Dutiable goods to the value of $185,451,503 passed through Canadian custom houses as compared with $182,992,478 last year. On the other hand the importation of non-dutiable goods shows a decrease of from $150,417,730 to $98,445,510, owing to the cessation in the manufacture of munitions, which necessitated the importation of large amounts of raw material.

The total volume of trade for the four months was $658,787,357, a slight falling off from a year ago, but encouragement is found in the figures for July, which show the total imports and exports to be $203,040,894, as compared with $187,867,500 during the same month last year.

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Arthur Roberts, K.C., secretary of the Union of Nova Scotia Municipalities, Bridgewater, N.S., T. D. Bouchard, M.L.A., St. Hyacinthe, Que., and Alderman Grant, Edmonton, Alta., were appointed by the Union of Canadian Municipalities to represent that body at the forthcoming National Industrial Conference in Ottawa.

NEWS AND VIEWS FOR MANAGERS

AMERICAN IDEA OF TRAINING THE YOUNGER CLERKS

The National City Bank Particularly Looks to Foreign Field

APPLIED TO CANADA

Same System Would Not Work Out, But Might be Adapted to Suit Our Own Conditions

In a recent issue an account was given of the training course of the National City Bank of New York, particularly in regard to the younger clerks, with a general reference to the senior class. The most ambitious plans of the bank would appear to be devoted to the development of men for the foreign service of the bank, which, with the one-branch system that is referred in the United States, would correspond more to the training of men for managers' posts in Canada.

In choosing such men. the bank seeks "only young men of the highest type, possessing the necessary educational qualifications." At first membership in this class was limited to the college men nominated by the various universities. "But as a result of the development of the bank's plan of training and education for its employees, it is now recognized that from among our own employees can be chosen young men who are well fitted and equipped for membership in the foreign service group. It is proposed. therefore. that from the regular force, including apprentices. one or more young men be selected each year as members of the College Training Class."

Selection on Record.

Each applicant must have rendered four years' service, and be enrolled in the Bank's Fourth Year Classes. Selections for this course are based on merit only, the factors considered, being:

(a) Record in bank work.
(b) Record in general class work.
(c) Record in language class work.
(d) Personality and general all-round showing.

It is also provided that applicants must not be under nineteen or over twenty-two years of age.

A list of subjects studied runs from first year to seventh, eighth, ninth year, etc. A glance at the number enrolled in each of the bank's classes shows 114, for instance, in banking 1, section 2. and 74 in section 1. A large number were taking Spanish—owing to the Southern location of many of the bank's foreign branches, with a few Russian, and a much larger number French.

Applied to Canada

A Canadian course of training, owing to the vastly different conditions of banking, would necessarily omit the junior sub-divisions of pages, messengers, etc. The greater emphasis would have to be placed on the training of the men who had been in the bank for several years; those who showed signs of a desire and a capacity for the higher positions. There is now, of course, a course by correspondence carried on through one of the universities, which is endorsed by the Canadian Bankers' Association. This, in itself, might be taken to correspond in part to the "College training" courses laid out by the bank. The large numbers of clerks secured by the National City under the one roof could never be duplicated by a Canadian bank, and hence the rather elaborate system of inside instruction could hardly be attempted even at head office. In its place there might be a union of all the banks in each of the larger city centres, such as Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Calgary, Edmonton, Saskatoon, Vancouver, and Victoria, a grouping into gatherings of bank men addressed not only by experts in various departments in banking, but by business men who would broaden their viewpoint, and give them a more intelligent basis for deciding problems that would face them when they stepped out to branches where they would be placed on their own responsibility. A selective and broadening process, it is recognized by bank men, must be undertaken without delay, if the banks are to fill managerial vacancies with men capable of representing Head Office in a manner that will win recognition for banking as one of the leading professions.—J. W. T.

STORES FOR BANK EMPLOYEES

The Commerce Club of the National Bank of Commerce runs what is known as the "Commerce Co-op," in a room on the seventh floor, where meat, canned goods, fruit, tea and coffee, butter and eggs, and other articles are sold at cost to employees. W. Benson Vertalf, chairman of the co-operative buying committee of the Commerce Club, asks employees to consult him concerning the use of their discount privileges in purchasing clothes, leather goods, sporting goods, books, household furnishings, etc. These are doubtless purchased on the outside through an understanding with certain stores.

The thrift department of the Commerce Club accepts deposits of a dollar on account, which are made in the pass book department on the main floor, or the bond department on the second floor. A recent advertisement in the Commerce house organ is headed, "Three days less in February than in January or March—save the difference in expenses."

The City Bank club service department has a store at 67 Wall Street, open every week day from 4.30 to 6.30 p.m, and on Saturdays from 1 to 3.30, which is organized on the basis to permit sales of groceries and meats to City Bank employees at a figure lower than they can be purchased for elsewhere.

SPECIALIZATION IN AMERICAN BANKING

Textile Banking Company Will Act Exclusively for Mills in This Industry

NEW YORK.—What is regarded as probably the initial step toward specialization in the field of American industrial banking has just been revealed by the organization, in New York, of the Textile Banking Company, Inc., with a fully paid-up capital and surplus of $2,500,000.

The new ompany has the banking support of the Guaranty Trust Company of New York, which has branches in London, Liverpool, Paris and Brussels, besides correspondents throughout the world, and the Liberty National Bank of New York. The company acts, exclusively, as commercial banker for mills in the textile industry: finances raw material and mrchandise requirements: and renders general banking facilities such as have been offered for many years by firms known as factors, or commission houses.

An Industrial Department, under the direction of men of recognized ability and standing in the textile trade, has been organized. The broad services of this department should prove of great value in the operation and expansion of American textile interests, both in the United States and in foreign markets.

The organization of the company is the logical outgrowth of the need for larger and specialized banking facilities, due to the increased importance of the textile industry in the United States during the war, and to contemplated expansion of foreign trade in all branches of this industry.

The incorporators of the Textile Banking Company, Inc., are: E. C. Converse, prominent New York capitalist; Grayson, M.P., Murphy and Eugene W. Stetson, vice-presidents of the Guaranty Trust Company of New York: Harvey D. Gibson and John P. Maguire, president and assistant cashier, respectively, of the Liberty National Bank of New York.

DO BUSINESS QUICKLY

Don't Keep Customers Waiting Longer Than Necessary

Don't keep customers waiting any longer than necessary. This may seem like needless advice to many officers. They do transact the business as quickly as possible—yet the customer goes away with a feeling that he has been kept longer than necessary. Why?

An elderly woman went into a bank to cash a cheque for a small amount. She waited in line for a considerable period before reaching the teller's cage. After examining the cheque he found himself without the necessary change and asked her to go to another teller, where she again had to stand in line. Of course, she did not understand why this was necessary, and was naturally very displeased.

It would only have taken the first teller a few moments to get the necessary change from another teller. He could then have completed the transaction with the lady and saved her considerable time, besides sending her away in a more agreeable frame of mind.

This may seem like an isolated case. But there are many instances where officers, by giving a little special attention to a customer, may save them much valuable time. If it is necessary to send them to some other officer, explain why. The customer has a right to know the reason for delay.

It is in paying attention to little details—in doing a little more than the customer expects; that the customer is made to feel that the bank is really giving him the service it claims.

CANADIAN BANKS BUILT ON SOUND FOUNDATIONS

An American View Expressed in Wall Street Journal

THE TEST OF THE WAR

Inflated Conditions of 1912 and 1913 — Period of Danger Soon Passed—A Great Aid to the Government

In this period of unsettled financial and business conditions, when so much depends upon the stability and efficiency of our banking system, it is interesting to know how "strangers" look upon us. The following is a brief study of Canada's bank system written from the American standpoint by a correspondent of "The Wall Street Journal."—J. W. T.

MONTREAL.—The student of banking practice as pursued by the highly civilized European countries and the United States must be struck by the way in which the sound foundation on which Canadian banking was built has withstood the supreme test of the war. The original charters of 1822, of the Bank of Montreal, the Quebec Bank (now amalgamated with the Royal Bank of Quebec) and the Bank of Canada, may be said to have formed the cornerstone upon which a storm-proof structure was reared.

These charters were almost identical, and they followed the method devised by Alexander Hamilton and pursued in the founding of the First Bank of the United States. To this foundation was added the well-tested Scottish branch banking system. Regulatory legislation throughout the years which have elapsed has not materially changed these fundamental conditions. There is no need here to discuss the relations with Dominion and Provincial Governments during the history of Canadian banking. What is pertinent is the way in which the banks were prepared by the solidity and soundness of the building and the methods evolved to handle successfully the largest problems.

At the outbreak of war, the banks had upon their hands a condition raised by the ill-advised land speculation of 1912 and 1913, and this was sufficiently serious to make necessary the establishment of moratoriums in Alberta and Saskatchewan, pending the liquidation of the land situation. This condition had been brought about by the somewhat premature Grand Trunk Pacific railroad extension, with consequent gambling in town lots having little but a prairie value, and in other real estate in large cities which was relatively more easily liquidated. The situation in the pubic mind seemed worse than it was because of a false anology. The real estate boom and collapse in Australia of nearly twenty years before, when with only one or two exceptions all the Australian banks were involved and in many cases compelled to close their doors, was freely quoted.

But the Canadian banks had not and could not have made advances upon real estate, under the terms of their charters. This was their salvation, and the result was that they were only saddled with real estate where it appeared among the assets of defaulted loans otherwise secured. It may fairly be said that practically all this deadwood has been cut out and that no serious consequences remain. The banks soon found their hands free to co-operate with the Government in the issue of war loans. These were successively $50.000,000. $100.000.00. $150.000.000 and an offering of $300.000.000 in 5½% bonds, like the other loans tax-exempt, which was twice over-subscribed, so that the Government accepted $6,000,000,000.

Helping Bond Buyers

Only the first three and relatively smaller loans were underwritten, and, on the advice of the bankers, who cooperated perfectly amongst themselves and with the government, the last loan was offered directly to the public, with the tremendous success recorded. The banks helped small purchasers to buy the bonds by instalments and now report that these bonds are paid for and in ultimate investment hands, only coming on the market through death or other contingencies necessitating a transfer. All these loans are selling at a premium and it says much for the courage of the Canadian bankers and business men that they recommend that the new issue for peace purposes, probably of $300.000,000, shall not be made tax-exempt.

It is a severe test, but the best opinion is that Canada can stand it, while there is a strong feeling here, shared by many Americans, that tax-exempt bonds do not constitute sound financing and create a false impression of Government credit. As the business of the country is to be conducted anyway, the losses on the war met, and the interest on the debt furnished, the policy amounts in practice to robbing Peter to pay Paul, well-to-do Paul getting all the best of it.

Canadian bankers, of course, turn their eyes to the United States and believe that if any country deserves an extension of American credit, a thing desirable and even necessary in the rehabilitation of export and general business, it is Canada. It is not too much to say that no country in the war throughout its duration has emerged with a sounder financial condition or with relatively less inflation. Note issues are well within control and have never for a moment been allowed to get out of hand. Collections are good, business is prosperous and the reversion to normal conditions is proceeding better than many observers dared to hope at the time of the armistice.

It is to be remembered that as a consequence of the war, Canada is a creditor of Great Britain and a debtor to the United tSates. Her real debt to the latter would be difficult to state with any accuracy, but it is not large, and the arguments for extending $60,000,000 credit to the States' best foreign customer after Great Britain are sound and will bear scrutiny. Such an extension at this time would be good business for the American bankers, who will be recouped in due course with permanent advantage to themselves and the export business of the United States.

Our Bank Policies

It may be said that the Canadian banker combines the shrewdness and caution of the Scotchman with the solid conservatism of the French-Canadian. There is, therefore, an underlying note rather less of foreboding than of that foresight which discounts so far as may be the possibilities ahead. Certainly no banker in Canada believes wages and commodities can advance indefinitely, and the possibility of a break involving a tumble in prices, with unemployment leading to lower wages, is not ignored, Something of the kind must come sooner or later, and the vice-president of one of the greatest banks said frankly that if such a break were to come. the sooner the better for everybody concerned. He did not questions for a moment the ability of the organized and co-operative strength of the banks to handle successfully conditions brought about by contracting prices, and he considered the most hopeful feature was that banking credits were far from being over-extended.

All bankers deplore the Government adventure into public ownership of railroads, and their opinion of financial administration at Ottawa is not high. It is true, however, that the Canadian Government, lacking the means of the United States for official extravagance and waste, has not made the appalling mistakes of Washington in the conduct of the war. It has muddled and blundered plentifully, but the banks upon the whole have kept the ship of finance on an even keel. So far as they are concerned, she is well found and seaworthy, with a trustworthy compass, and those whose duty it is to navigate her know where they are going.

EUROPEAN ORDERS

LONDON.—Canada has now done about $35,000,000 worth of business under contracts with Greece, Roumania and Belgium. The Roumanian contract is well advanced, although he goods have yet to be shipped. The contract with Greece is still in its initial stages, while the Dominion is supplying goods to Belgium through the Hudson Bay Company under a Government credit. Incidentally we have dispossed of over $3,000,000 worth of Canadian military supplies as part of the Greek contract.

Among the material still to be disposed of are such items as 233,000 yards of khaki flannel at 55 cents a yard, 98,000 pairs of tan boots at $2.16, forty thousand bolster cases at 20 cents, 265,000 hand-towels at $3 per dozen. 790,000 pairs of rubbers at $1.20, 28 field kitchens at $500 each, 130,000 pounds of corned beef at $7.25 per dozen two-pound tins.

THE COST OF LIVING

Special Committee at Washington to Probe Situation

WASHINGTON.—A special committee to consider means of reducing the high cost of living was appointed att he meeting of members of President Wilson's Cabinet with Attorney-General Palmer. The committee will compile suggestions thus far made and report to the Cabinet Monday, when further steps will be taken.

One suggestion made, Mr. Palmer said, was that the Government sell this year's wheat crop at the price to be determined by the law of supply and demand, and make up the guarantee to the farmers out of the billion-dollar fund appropriated by Congress.

A resolution directing the Federal Trade Commission to enquire into the increase in the price of shoes was reported out to-day by the House Interstate Commerce Commission.

PITY THE POOR BANDIT

When every community in Minnesota has its armed guard of business men, as planned by the Minnesota Bankers' Association, there should be a quick rise in the mortality rates for bank robbers.

The plan approved by the association at its recent meeting is to supply each town with sawed-off shotguns made for use by the American army. Every business man in each small town or suburban centre is to have one of these riot guns and a buzzer connected with the bank's robbery alarm.

A few rehearsals would make the riot gun squad proficient in putting on the following "show" for the visiting bandits:

Cashier throws up his hands at the robber's command, and with his foot gently pushes a button on the floor. Buzzer sounds in every business house in town. Men seize their trusty shotguns, make for the bank, and as the bandit appears, hem him in with a buckshot barrage, peppering him if necessary until he surrenders.

The "buckshot for bandits" policy should make the name of Minnesota a terror to bank robbers, as it was for decades after the famous Northfield episode.—Minneapolis Journal.

GENERAL STRIKE HAS CLEARED AIR ON THE COAST

Continued from page 2.

ment they have installed and until this is disposed of, it will be impossible to strike a balance.

Steel shipbuilding continues, the largest yard in Vancouver just completing a programme of ten 8,800-ton steamers for the Imperial Munitions Board. This yard, together with another yard in Vancouver and a new steel shipyard being established in Victoria and one in Prince Rupert, are now engaged on the construction of eleven steel vessels for the Canadian Government. The first two of these have already been launched and the majority of them will be placed in the water during this year.

It is the intention of the Government, however, to place orders for a few more of these steamers to enable the yards to keep in operation during the early part of 1920, with a view not only of preventing unemployment, but enabling these shipyards to tide over the transition period, when it is believed possible they will be in a position to compete with the world's markets in steel ship construction.

Whether this is possible remains to be seen, but it is a fact that the steel shipyards of this coast have been able to improve their equipment and increase their efficiency to a point where it is reasonable to suppose that they will be able to compete with Eastern Canadian yards, provided the handicap of high freight rates for raw material across the continent can be overcome. The shipbuilding industry gives employment now to some 7,000 men.

Mining

The effect of lower prices of metals has naturally reflected on the mining industry in British Columbia, but the effect has been of a temporary character and has not retarded to any extent development work in progress when the Armistice was signed. Naturally there has been some temporary curtailment of production by the larger copper companies, and the largest dividend payer reduced its quarterly dividend from 2½, which had been paid during the previous year and a half, to 2¼ for the first will be in a position to continue the progress evidenced during the last few years. quarter of 1919, and has passed its dividends for the second quarter. This conservative policy is looked on with favor in financial circles since the company's earnings have been large in the past and much development work is now in hand, necessitating the employment of additional capital. There is little doubt that the very healthy condition and that with a revival of demand for metals produced principal operating companies are in a Considerable development work is proceeding on some very large copper properties, notably that of the B.C. Copper Company, Copper Mountain, in the Southern Mainland section.

A new gold milling mine has entered the list of dividend payers during the last half year. Considerable interest has been shown in several new coal properties. It is expected the output for the current year will exceed previous figures, new mines opened on Vancouver Island having now entered the producing list on quite a large scale.

In general the mining outlook is satisfactory in view of the large amount of money being expended in development work on the highest class of properties. It is, however, improbable that the mineral output for 1919 will be as high as in 1918, owing to reduced production of copper, lead and zinc. The most satisfactory feature is the development work above mentioned and the fact that considerable attention is being given to prospecting, a number of returned soldiers again entering the woods, which has resulted in valuable discoveries of metallic ore in new districts. While these developments can have no immediate effect, they augur well for the future.

Fisheries

While the present demand for canned salmon is poor, the opinion is expressed that the whole of this season's pack will be readily marketed at advantageous prices. The action of the British Government in taking over a considerable proportion of last year's pack naturally deranged market conditions and has prevented the ordinary operation of the law of supply and demand, which coupled with the difficulties of finding shipping space, has created a condition of difficulty in marketing, entirely at variance with the potential demand for foodstuffs of all kinds. The 1919 pack will cost at least as much to produce as the previous pack and there is no reason to believe it will be sold at lower figures. Buyers in consuming markets are evincing some hesitation in placing orders, but it is not likely that prices will fall.

The salmon canning industry is, however, handicapped by the difficulty of gauging prices and it is further expected that the 1919 pack will not be as large as that of the previous years. The Fraser River, which has previously been so large a factor in the salmon canning industry, cannot be considered of so great importance as during the last few years, owing to its depletion through over-fishing. This will be compensated by increasing the pack in the Northern Districts and on the West Coast of Vancouver Island.

The haibut fisheries continue to show slight decreases, which is considered an evidence of the gradual depletion in the fisheries.

Agriculture

It is early in the year to make any forecast of the general agricultural situation in the Province. An interesting feature is the large number of return men who have applied to the Provincial Government for the allocation of land under the settlement scheme and it is believed that many of these men will successfully settle on the land. The fruit crop in the Okanagan district is progressing very favorably, the tendency being to devote more attention to the fruits, particularly apples, and reducing the output of soft fruits. Co-operative effort has been made to introduce the Okanagan apples on a large scale in British markets and it is believed large orders will be forthcoming this season. The satisfactory returns obtained during the past season and the high prices prevailing at the present time have created a condition in the fruit growing districts whereby the growers are improving their equipment and amplifying their irrigation schemes, so that the outlook for this important industry is greatly improved.

The purchase of vegetables and food products for army use is of course not now to be expected. A large proportion of the vegetable crop of the previous two years was purchased by the evaorating plants, which considerably stimulated agricultural production. This year the high prices obtainable for food, coupled with the keen general demand, make the outlook bright for agriculture in British Columbia.

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TORONTO, AUGUST 23, 1919

OUR readers, and particularly those personally acquainted with Col. J. B. Maclean, President of the Maclean Publishing Co., and THE FINANCIAL POST, will learn with deep regret and heartfelt sympathy of the sudden death on August 17, of his son and only child Hector, aged sixteen years.

Hector was on a camping trip with Upper Canada College boys and was taken suddenly ill with acute indigestion. He was rushed in to Temiskaming, where medical attention was secured, but they were unable to save his life.

SHOULD PROFIT BY EXPERIENCE

AT the convention of Canadian municipalities one of the resolutions proposed that every city in Canada should establish a municipal cold storage plant. This is a suggestion which will find a popular reception with many people throughout Canada who have been following the colored reports of packing-plant profiteering which have been circulated for several years past. One would think, however, that municipal representatives, appointed to serve the best interests of the taxpayers whose funds they are supposed to guard, would make some inquiries as to the business outlook for such ventures before making a sweeping recommendation.

In Toronto there is a municipal abattoir and cold storage plant which should be known to every civic representative in Canada. It stands as a grave warning to municipal governments to leave to those who understand it the operation of one of the most highly technical of industries. The experiment has cost Toronto a lot of money. Other municipalities can profit without paying the price. Report after report has shown that the plant is a sink-hole for the money of Toronto ratepayers. Just this week the matter of the future conduct of the concern was again before the council. A commission for operation was suggested, but the civic officials—to quote the *Mail and Empire*—"strongly advise the disposal of the property in order to put an end to the heavy deficits every year. The loss on the place up to the end of last year was approximately $250,000, and this year it is likely to be another $85,000."

If those who govern our municipalities would only learn from the experience of others there would be fewer suggestions for public ownership enterprises in the field of highly specialized business where success or failure depends upon efficient operation.

"DEAF TO A WRONG MAJORITY"

THE hundredth anniversary of the birth of Charles A. Dana was marked by a high tribute to the life work of that brilliant and forceful moulder of public opinion by the New York *Sun*, which doubts if there has been a finer gift to journalism than his contribution. Of the men—and their methods—who have played the big parts in the making of American newspapers, the *Sun* says:

> The men who made successes of New York newspapers before Dana became the editor and general manager of the *Sun* had each some particular road to victory. Day persisted with a novelty, the penny paper. Bennett introduced, in a general way, the modern style of reporting news. Greeley, largely through the growth of the *Weekly Tribune*, became a national political power by virtue of his honest if not always perfectly directed sense of political righteousness. Henry J. Raymond made the *Times* thrive through a devotion to politics which permeated not alone the paper but the editor's own life and ambitions.
>
> To a knowledge of all that had been accomplished in thirty-five years of popular newspapers Dana was able to add a new ingredient: his own belief that the public appetite for daily reading was now ready for something more than politics, finance and crime; that it craved the intellectual pabulum supplied only—and sometimes flatly—by the periodicals; that it would enjoy a discourse upon the architecture of the tombs of the Pharaohs as much as it liked a description of the inhabitants of the Tombs of Centre street; in short, that the public liked everything that was clean, lively and interesting. With this belief went his conviction that it was not necessary that the style of the American newspaper should adhere either to the stilted phrase of the British journals or to the stereotyped methods of news reporting which has grown up beside Mr. Bennett's method of getting all the news and presenting it with small regard for elegance. Such was Dana's contribution to journalism, and we doubt whether there has been a finer gift. It was not only the cause of his own personal success, but it changed the whole current of the profession, for in raising the standards of the product Dana lifted also the standards of the men who produced. As the late Mayo W. Hazeltine wrote of him, "He honored his fellow craftsmen of the pen, and he compelled the world to honor them."

It is said for Dana, that in his thirty years of editorship he changed the entire color of American journalism. That meant great courage and wise leadership, for he had to mould public opinion—not conform to it. This is expressed in the *Sun's* tribute. "He was able at once to pursue the enterprising course of Bennett in the way of getting the news and TO BE AS DEAF TO A WRONG MAJORITY as Greely was."

This man, deaf to a wrong mapority, typified the best in journalism, and made his mark on the world's best newspapers. How great the need for such men in this unsettled period is glaringly emphasized by the editorial utterances of leading popular newspapers day after day, and by the speeches of light-weight politicians. Near-sighted editors and self-seeking politicians seemingly have no ambition than to cater to every fleeting fancy of the populace; they lack the judgment or courage, perhaps both, to ever decide that the majority may be wrong or that the minority should have any consideration.

The spirit of Bolshevism thrives in Canada to-day in an atmosphere charged with the writings and utterances of so-called public leaders who have never conceived of a wrong majority—excepting that encountered in successful political campaigns.

PREFERRED DIVIDEND LIABILITY

TWO communications recently reached the desk of the editor of the FINANCIAL POST bearing, from different angles, upon a matter of company accounting which we think should be seriously considered. One was from an investor asking as to the amount of accumulated preferred dividends on Canadian Car and Foundry stock. The other was from a member of a Toronto investment house raising the point as to the responsibility of auditors in making known to company shareholders the amount of such preferred obligation.

Technically the argument may be advanced that, as the preferred liability is one to the shareholders only, it is not necessary to place it in a public statement. Such a contention appears to us to be both right and wrong. Right perhaps as regards the company's relations with the bank and other creditors. Wrong as regards the company's responsibilities to its common shareholders, because they cannot expect to receive any returns upon their holdings until the preferred obligations are entirely discharged. The Canadian Car Company is a case in point—there are many others.

Whether it is a matter for the auditors or the directors to decide, the FINANCIAL POST believes that the financial statement of the company owing arrears on preferred dividends should bear record of the fact. This would not appear in the balance sheet proper, but rather as a supplementary item to the statement of liabilities. It is information to which common shareholders are fairly entitled and any policy which endeavors to cover up such matters is a shortsighted one. The Stock Exchange Committees at Montreal and Toronto would do well to consider the question.

THE OPEN AIR MARKET—IF IT RAINS

WE are told that the British people, like the French, in revolt against high prices and profiteering, have made the discovery of the open-air market. We are asked to believe that the problem of the high cost of living is thus being solved. The profiteers—the "shopkeepers" or retailers—have been put to rout.

The picture shown is of an open marketing space "crowded with fashionably dressed ladies and men, many of the latter wearing tall silk hats," buying their fish, vegetables, fowl, rabbits and fruit at a great saving. Such a happy scene. Merely removing the roof has evidently permitted the sunshine to vanquish the profiteer.

But supposing it should rain—and the records indicate that there is considerable rain in England. Would the ladies in their silks and the gentlemen in their cutaways and tiles still desire to shop in the open? We do not think so. Nor would they want to carry home their own purchases. They would want the meats and produce all nicely protected. They would want to order by telephone. They would want their purchases delivered. In brief, they would during one brief shower decide that perhaps, after all, the retailer was giving service for his margin of profits. And all this without having to consider the weighty arguments about the solid retailer being a dependable servant all the year round—an importer at many seasons—and an important contributor to the maintenance of the community as a taxpayer.

We have no records available at the moment but we are of the opinion that the first markets were in the open air, and we are inclined to believe that the "shopman" and the retailer are the outgrowth of a great deal of experience in economic service. Besides, originally the shoppers did not wear silks or top hats. They have moved also along with civilization, and probably would not relish a suggestion that they too might effect an economic saving by going back a few centuries in apparel.

It might also be pertinent to ask how the silks and the tiles of the "downtrodden" consumers on this occasion compared with the dresses and headgear of the "profiteer" shopman.

EDITORIAL NOTES

WE ARE told that the One Big Union is melting away in the Canadian West. There is a grave danger, however, that there may be other Bolsheviki blizzards following the present chinook. Wise Westerners keep on their flannels until there is definite assurance of spring.

* * *

IF THE Government is going to pay the Canadian farmers at least $2.15 for wheat—and as much more as the market warrants—it would have been better for Ottawa to have kept out of the situation altogether. Paternalism of that kind will not work out for the general good of the whole community.

* * *

REPORTS that the C. P. R. would build a connection from Guelph to the Grand Valley road which followed the recent defeat of the radial by-law were evidently started by some of those public ownership enthusiasts who would like to see the built line, but voted "No" at the dictation of Sir Adam Beck.

* * *

COMMENTING on the visit of W. F. O'Connor to Washington, in connection with his duties as member of the Court of Commerce, the Toronto *Globe* says: "'That man O'Connor' will be more formidable than ever." The *Globe* can only mean formidable to all business interests and that obviously expresses its opinion of what the attitude of the Chamber of Commerce should be.

THE BASIC PRINCIPLES OF FINANCIAL REHABILITATION OF SUFFERING EUROPE

Concluding Chapter of Frank A. Vanderlip's Work "What Happened to Europe" Makes Constructive Suggestions

Continued from last week.

And now in conclusion I want to say one solemn word in regard to the supreme lesson which I have drawn from my observation of the present situation in Europe and that is a lesson to which I have not in this book heretofore referred. It is the duty that lies on each of us to give our country good government. I did not know before that I had in me a power of such poignant sympathy with dumb and uncomprehending peoples as this opportunity for observation has awakened. One hears the demagogue prate about his love for the people and properly rates these sentiments. No one with seeing eyes and a sympathetic heart could make a wide observation of present European conditions, however, without being moved to his depths in pity of peoples who are suffering because they have been badly governed.

Here is half the world, half of that world of intelligent, literate, industrious people who are made on much the same lines as ourselves, who, through no fault of their own, who, in spite of a willingness to labor skilfully and industriously, have passed through a horrible catastrophe and are facing another that might in the range of possibility be still worse. Their fate has been and will be directed by factors that seem outside their own volition.

Wherever there has been moderately good government there has quickly followed astounding progress. The inherent capacity of people under modern conditions to improve their surroundings, given the boon of honest, wise and just government, is marvellous; but whatever a government lacks in honesty, wisdom and judgment this is quickly reflected in a plight that seemingly no amount of fine individual characteristics can overcome. Much of the lack of good government comes solely from ignorance.

No matter in what direction we look, we find some men in governmental positions who seem more moved by personal ambition than by an unselfish desire wisely to serve. No matter what desperate national circumstance may exist, we see that great national needs fail sometimes to bring out from national leaders the unselfish service that their people should have.

I have said that it appears that half the woes of the world were occasioned by economic ignorance, and it seems as if most of the other half could be traced to selfish political ambition. And so this is the lesson that has dominated all that I have learned. It is that the crime of all crimes, most far-reaching in its effect, the crime which involves harm to more innocent people than any other in the whole category of human frailty, is the crime of abusing the privilege to serve. A thief may injure him from whom he steals. A murderer cuts short a single life. Those crimes are as nothing compared to the uncomprehended crime which a public official commits in permitting personal ambition or ignorance to blind him to public duties.

If enough Americans could see what endless consequences of sorrow and injustice flow from the almost unconscious acts of men who fail to recognize the solemnity of a public trust and who shape their acts on lines which they conceive may further their personal ambitions rather than steadfastly keeping before them the opportunity for service to those who have put them in a high position I believe that America could then easily take her true place in world leadership. If that could be done there would be an end to lightly passing over failure or dereliction in public office. Men unfitted by ability or moral grip to comprehend and to render the service that they might do would be driven from public place by a whirlwind of public opinion. Conversely, men who did discharge the great obligation laid upon them by a public trust would be honored far beyond the honors than can possibly come to success in other fields.

And so it all goes back to a sound citizenship, to a comprehension by all of us of our individual responsibility for good government, to the active acceptance of individual responsibility by every man who lays any claim to the rank of good citizenship.

CHAPTER XVI

An International Loan to Europe

After I had had an opportunity to study conditions throughout the European countries which I visited I prepared, just as I was leaving Holland on May 1, a brief outline of a plan for an international loan to these European nations so urgently in need of aid for the re-starting of their industrial processes.

I presented this outline for discussion and criticism to some of our American officials from Washington, to a number of leading French statesmen and financiers, and to the principal bankers in Holland and in London. The details of this proposed peace loan might be worked out in various ways. The principles on which such a loan is based, however, I feel should follow essentially the fundamental lines of his brief statement In the following paragraphs I have set forth in practically its original form the memorandum discussed with the various Government officials and bankers in Europe.

It seems to me obvious that the problem of financing the rehabilitation of Belgium, France, or any other of the European nations, is one that must be solved for Europe as a whole. It is undesirable to take up the financing of one country separately and at the same time allow other European countries, through lack of aid, to trail in re-starting industry.

European nations might be compared to a group of houses in all of which is inflammable material. Fire in any one would endanger all, and it would hardly be worth while to put safeguards against fire originating in a single house. The safeguards would have to be put in all the houses or there could be no safety for any of them.

A failure to re-start industry in any European nation, resulting in continued idleness, want and hardship, is certain to lead to social upheavals that will be communicated to other nations. The problem, therefore is an inclusive one, and must be so solved that there will be a serious and a comprehensive effort made to re-establish the industrial cycle in each one of the European countries simultaneously. If this is not done there can be no safety in financing any one of them.

If the financing of reconstruction is considered by nations separately, the question of security will become a determining factor in any plan for making advances. Europe presents a situation in which the determining factor in regard to rehabilitation loans should be necessity rather than security; for unless those nations in which the necessity is the greatest are cared for as well as those in which the security might be thought to be the best social or industrial disorganization may result. The contagion thus bred might spread, endangering the whole social fabric of Europe.

Danger Lurks in Delays

The element of time is now of prime importance. Unless there is speedy action in the direction of re-starting paralyzed industry there may follow a quick march of events toward revolutionary outbreaks in any country where idleness is continued and is followed by hunger and want. The prime economic necessity is now to re-establish the flow of production, to give employment of the millions of unemployed, and to get each European country started back toward a normal industrial life. The danger in not doing this promptly or in not doing it for all is so extreme that it is no exaggeration to say that failure to do this may mean a breakdown in European civilization which will involve the whole world. The conditions are so extraordinary that extraordinary means of coping with the difficulties should not be rejected because of their novelty.

If we were to wait for Government credit granting, there may be involved so many political considerations that an amount of time would be consumed such as to make any projected scheme of aid without avail. One of these political considerations lies in the fact that those nations which have shared in the $10,000,000,000 of loans the United States has made to the various European governments now feel that there is just ground for suggesting that these loans be modified or even cancelled. This sentiment is general, and is held in high places. In the face of that fact, it would seem to be doubtful wisdom further to increase the loans which our Government has made to the European governments. The amount required is so large that it would be far better to formulate a plan which will not call upon already over-taxed governments. The demands can much better be met from the broader sources of private investment if a security can be created which will appeal to the private investors. But if the situation is left for private investors to attempt to create an adequate security in individual cases, there might be set in motion such endless negotiations that the apprehended catastrophe would be likely to occur before the minds of lenders and borrowers could be brought together.

The danger which would surround any security that could be created under such circumstances would be so great that private investors would be forced to demand what would look to borrowers like extortionate rates; and international relationships, which are already showing evidence of strain, would be likely to undergo still greater stress, which might develop such unhappy international results as to endanger any attmept to create adequate credits in this form.

With these considerations in view, it would seem that any successful attempt to finance the rehabilitation of the Continental nations must keep in mind the following fundamental principles:

1. The European situation must be treated as a whole.

2. The amount involved is so large and the element of time so important that it is extremely dangerous to undertake the legislative programmes that would be necessary before lending countries could place their governments in a position adequately to participate in a loan to the several borrowing nations.

3. There are the most important considerations pointing to the desirability of accomplishing the necessary financing at a moderate rate of interest.

4. The political situation is so involved, and the financial conceptions so various and chaotic in the different countries that it is highly desirable to present one formula for obtaining credit which all the borrowing countries should alike follow.

5. If private investment funds are to be promptly and successfully attracted at moderate interest rates, there must be created an obligation that offers the highest type of security that it is possible to create.

6. As the total aggregate of what each borrowing nation would believe was a minimum required for rehabilitation of its industries would reach a sum too large to be contemplated in any proposed plan, the lenders should determine, based upon a study of the necessities of each nation, what the apportionment of any proposed loan should be among the several nations.

7. An independent judgment arrived at in the light of the representations made by each nation of the minimum necessary to start industrial production would present a sounder programme than would result if each individual nation were merely given a financial credit and left free to work out the expenditure of that credit as it saw fit.

8. In view of the urgent necessity for re-starting the industrial processes, a necessity paramount to any merely financial requirement, the entire proceeds of such a loan as is herein proposed should be realized by each borrowing nation in the actual form of food, clothing, fuel, machinery, raw materials for manufacture and rolling stock for the rehabilitation of transportation; and none of the proceeds of such a loan should go into the treasuries of the borrowing nations to be used for governmental financial needs.

In view of the foregoing considerations and of the suggested principles that should be embodied in any comprehensive scheme, the following is a plan for an international loan, to be participated in by the United States of America, Netherlands, the Scandinavian countries, Switzerland, Japan, those South American countries which are important exporters to Europe, and Great Britain, although the latter to perhaps a limited amount, if British interests so desired.

The government of the lending nations each should appoint a consortium of bankers, to have charge in the respective countries of the flotation of an international loan of a certain amount. These consortiums of bankers in conjunction with their respective governments each should appoint members of an International Loan Commission, the headquarters of which might well be in the Peace Palace at the Hague; and the number of representatives of each country respectively, or their voting power, should be equitably determined.

The International Loan Commission would determine, from the facts regarding the industrial situation in each of the possible borrowing countries, the proportionate allocation of parts of the total loan to each borrowing nation; and later should determine in conjunction with representatives from the borrowing nations, the definite amounts of machinery, raw material, rolling stock, eac., which should be furnished.

Each lending nation would furnish, of machinery, raw materials, etc., according to its capacity, an amount equal to its amount of participation

Continued on page 16

NEW BOOKLET

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

DOMINION STEEL

K.C., Peterborough, Ont.—Will you kindly give me your opinion on Dominion Steel at present price. Do you not think this is a good speculative buy?

We are of the opinion that it is a good buy at the price holding to-day, 65-66. Of its present earning powers you are probably well aware, and these should be increased when more normal conditions return, for its development is in many respects bound up with the development of the country at large. The new plate mill will add considerably to the profits of the company in the next five years with the guaranteed orders from the Government. In recommending this we presume you are not looking to it from the expectation of any big advances in the near future. It is a proverbially slow mover, and may hold around the present level for months and even longer, but either of these incidents would not alter our opinion as to its real value, for we believe that it is bound to go much higher, and that the dividend rate will increase as well. At the present price it gives one of the highest yields, 9 per cent., of any first class stock in the market. It is now 7 to 8 points below the high of the year, which was 73.

VICTORIA CHIEF

H.C.D., St. John's.—Can you give me any information regarding the Victoria Chief Mining and Smelting Company?

The Victoria Chief has properties at Engle, New Mexico, which were sold at foreclosure about two years ago, and the company is extinct and the stock valueless. Volume 10 of the "Copper Handbook," published by the late Horace Stevens, reporting on this company, and the promoters, "Colonel" Robert R. Hopper and Miss Julia Howe Bigelow, states that "papers in bankruptcy have been served on the shareholders, proceedings brought by the creditors being understood to be of a "friendly nature," doubtless being brought to cover up the crooked operations of Bigelow and Hopper. The Victoria Chief Copper Mining and Smelting Company was a deliberate fraud, and both the he-president and the she-secretary seem to be nothing but common swindlers."

WESTINGHOUSE—BROMPTON

F. C. M., Ste. Adelaide de Pabos, Que.—I am still holding several shares of Westinghouse and Brompton. Would you suggest selling Westinghouse and averaging with Brompton, which I bought at 70½ in November, 1916? Or do you know of any other stock which you would consider a better buy at the present time, to hold for a year or more? What interest does Brompton give on the investment at present market price?

So far as the sale of Westinghouse is concerned it might pay you to hold these shares a little longer as the U.S. market should improve, and by selling now you would have quite a loss as compared with a few weeks ago.

So far as Brompton is concerned. When the stock dropped steadily a year or so ago, and fell below 39, we strongly advised several holders to keep their stock, that it was certain to come back. Later on it advanced some 25 points, although during the present slump it has eased off to 60. At that, however, it has acted fairly well, quite as well as any other paper stock with one exception, and in that case a dividend payment was imminent. We believe Brompton is a good investment at the present market price. It is paying 5 per cent., which would give you a yield of nearly 8½ per cent., and we believe that it is being placed on a 6 per cent. basis, which would give you a yield of ten per cent., one of the best among the better class of industrials. In such an event there would be little doubt of the stock rising above the price of 70 that you paid for it 3 years ago. The company during the past year has made some excellent investments in three United States mills, which provide it a market for some of its products, and in turn provide Brompton with raw materials at a lower cost than they could be purchased on the market. The profits from these U.S. mills have not been included so far in the financial statements that have been issued, but are piling up to the credit of the Canadian company. Moreover the company is considered to have first class management and this is one of its strongest assets.

So far as other good investments are concerned among common stocks, we would recommend Dominion Steel, Canada Cement, Canadian Cottons, Dominion Textile Company, Montreal Power, almost any of the milling companies, Laurentide Company, Penmans, Riordon Pulp & Paper Co., Price Bros., Steel Company of Canada, Wabasso Cottons, Woods Mfg. Co., among a number of good reliable investments.

As to which of these stocks might rise more than Brompton in the next year, that would require a prophet.

ADANAC

Subscriber—Can you inform me as to the general standing of the Adanac mine. I hold several thousands shares and am surprised that so many shares are being sold at about 10 cents. Is there any way of finding out if these are genuine sales?

The selling movement in Adanac has, we understand, been induced by recent reports regarding the company's showing which are not regarded as being so favorable as those made some time ago. This appears to be no reflection on the management or the policy followed but to be due to the trend of fortunes of development. Then, general conditions bearing upon the gold mining operations in Northern Ontario are depressing. Not only is there the labor trouble but the market for gold is still unsatisfactory in relation to cost of production, particularly with low grade ores such as are encountered in these fields. With the passing of the labor troubles it is believed that there will be a revival of interest in the northern mines, and if this develops into anything like a boom general advances are to be looked for. We think you would do better to hold for the time being under these circumstances.

DOMINION BRIDGE

E.S., Halifax.—Can you give me any reasons for Dominion Bridge being at 105, and staying low? Are there prospects of a rise?

You are bringing up a very vexed question in stock exchange circles, and one that most of the investors of "Bridge" stock would like to find an answer for. The cutting down of the dividend from 10 to 8 per cent. at the time of the last annual meeting was, of course, a sore disappointment to the shareholders. This at once resulted in a dropping of the minimum price fixed on the exchange from 128 to 123. Later on there was a rally from 123 to 128, but there was no real foundation for the buying, and later on when the Montreal Exchange removed the minimums Bridge sagged off and at the time of writing is down to 100, and we see no prospect for rise for some time to come. Inquiries made by THE FINANCIAL POST of the company show that business is on the whole poor, although it is showing a slight tendency to pick up. There are few buildings going up and few bridges being erected throughout the country, and thus the main sources for orders are cut off. This year, of course, there are no munition orders, and the result will be that the company will not make as good a showing as it did last year. Then it showed earnings far more than sufficient to pay the ten per cent. dividend, but as THE FINANCIAL POST pointed out at the time, if the amount received from the Quebec Bridge account was deducted there was not enough left to warrant more than 8% dividend, and the bridge profits belonged to a number of years, although the greater part was bulked in payment last year.

With increased business unlikely for some time to come, and with a feeling of dissatisfaction towards the company's record that appears to be pretty general, we cannot see much prospect of a rise in the stock in the near future. There is one point on which many shareholders desire far more information than the directors have imparted to them, and that is why did not the "Bridge" receive larger profits than it appears to have received from the war orders the company was given? If any shareholder at the next annual meeting would insist on a clearing up of the relation existing between the company and its subsidiaries, he would take a step that would be welcomed by a large number of the company's shareholders.

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PERSONALS

FRANCIS H. SISSON, vice-president of the Guaranty Trust Co., New York, will leave for Europe soon to make a study of conditions on that continent.

PAUL M. WARBURG has sailed for Europe, the first time for several years. He is said to be making the trip to study European conditions. Mr. Warburg is Chairman of the Executive Committee of the American Acceptance Council.

S. G. BLAYLOCK, who for the past three years has been assistant to General Managing Director J. J. Warren, of the Consolidated Mining & Smelting Co. at Trail, B.C., has been made general manager of the company, succeeding Mr. Warren, who was recently elevated to the presidency, left vacant by the death of the late W. D. Matthews.

H. R. CHARLTON, of the Grand Trunk, has been chosen to represent that road in one more tour of a distinguished guest, this time H.R.H. the Prince of Wales, who will use the Grand Trunk in his visits to a number of cities in Ontario. Mr. Charlton has been "doing it" for a score of years, and proudly wears (sometimes) the Order of the Sacred Treasure, conferred by the Japanese Emperor after he had looked after the needs of Prince Fushimi.

FRANK L. PAUZE, who was a member of the Industrial Commission that shortly concluded an investigation into labor conditions in Canada, has been appointed floor manager for L. G. Beaubien & Co., Montreal. A bond department was added recently to the firm's business and this with the regular stock business has been growing rapidly. Mr. Pauze has been in business for himself for a number of years, and at one time was president of the Chambre de Commerce, Montreal.

JAMES H. PERKINS, one of the executive managers of the National City Bank, has resigned to become a member of the firm of Montgomery & Co. It was learned last Wednesday that Mr. Perkins' resignation was handed in on the first of the month and that after a brief vacation he will assume his duties with Montgomery & Co. on Sept. 1. Mr. Perkins came to the National City Bank some years ago from Albany as a vice-president, and while it is understood that his relations with the bank are most friendly, his resignation was not a particular surprise to the financial district following as it did the resignation of former President Frank A. Vanderlip and Vice-President Charles V. Rich.

BRUCE ALDRICH, who will take charge of the Toronto office of the Asphalt Association as district engineer of the Canadian district, with headquarters at the office of the H. K. McCann Company, Limited, Toronto, is a native of London, England. He came to Canada at an early age and began his education in the public schools of Ottawa, returning later to England to complete his studies. From England he came to the United States and after serving as a volunteer in the United States army in the Spanish-American and Philippine wars, he was appointed in 1901 to a position in the office of Inspector of Asphalts and Cements, Engineer Department, District of Columbia, where he served in various capacities, testing paving materials under Prof. A. W. Dow, of New York, until February, 1918. Mr. Aldrich will devote his attention to co-operation with officials and engineers in the several provinces with a view to bringing about the most constructive results possible in asphaltic highway work.

LETTERS TO THE EDITOR

POST-WAR PROSPERITY

To the Editor,
THE FINANCIAL POST:

Sir,—There is more construction under way in Canada than is popularly supposed. The mind of the average individual has not yet accustomed itself to the fact that the great war is over—that a period of unexampled prosperity is gradually emerging from the chaos of destruction. Not only has Europe to be rehabilitated, but construction on an enormous scale is already under way on this side of the Atlantic.

A glance at building permits as reported in newspapers and publications devoted to construction will bear out this statement.

This situation has invariably followed every great war since the dawn of history. Taxation and increased cost of living is the stimulus that spurs man forward to greater production.

Production spells prosperity.

Canada occupies the most favored position of any country in the world. It is practically the only habitable and unexploited country in the world, except Siberia. And Siberia is not under the British flag. Neither will it attract immigration except from western Russia.

Canada has comparatively no population and it is rich in natural resources. So rich, in fact, that few of us fully grasp the significance of this untouched wealth. In the fullest sense of the term this Dominion will be the great magnet of the future.

American capital is pouring into the country. Some of this is invested in the prairie lands of the West. More of it is going into Eastern factories and workshops. These far-sighted business men see a country teeming in population and they see the potentialities of trade within the British Empire.

To mention only one example, the Crane Valve Company of Chicago—a $35,000,000 corporation—is completing a building on the Lachine Canal in Montreal that will cost upwards of a million dollars. Many of these industrial pioneers are not waiting for any problematical reduction in the cost of labor and building material. They intend to be ready.

The biggest manufacturers of roofing material in Canada told the writer recently that one recent month's business was $50,000 in excess of any month in its history.

Montreal's largest plumbing contractor told me that he had booked more business in the last four months than in the previous four years.

A sprinkler contractor says he has sent out more tenders since January than during the whole period of the war.

Office space is at a premium in every large city.

The head of one of the great steel plants says that the demand for this product was never so bright.

Many banks, insurance companies and financial institutions are planning extensions, and in many cases new homes.

And we are only at the threshold.

Millions of dollars have been appropriated by Federal, Provincial and municipal authorities for urgently needed accommodation.

The same is true of the railroads. The automobile is forcing new highways.

Monuments to our dead heroes are rearing their stately beauty in every centre of population in the Dominion—silent sentinels that remind us of our debts to those whose death makes it possible for us and our children to live in this land of promise and greatness.

F. ABRAHAM.

Montreal, July 25, 1919.

THE ANNUAL FINANCIAL REVIEW

The Annual Canadian Financial Review for the year 1919, compiled by W. R. Houston and published by Houston's Standard Publications, Toronto, just to hand, will be appreciated by financial concerns generally. The information contained is most valuable to the Canadian financial public, the several volumes that has preceded it constituting most important records indeed. The reliable information that is given in regard to trading on the Canadian stock exchanges and the details in reference to the various companies operating in this country, banks, etc., is of untold worth to all directly interested.

MR. FORD'S IGNORANCE

Forbes' Magazine

Well, Henry Ford's presidential boom has been punctured. His exhibitions of ignorance painfully recall the recent sorry exhibition given in the ring by Jess Willard. Even more lamentable than Mr. Ford's amazing ignorance is his pride about it. He pities and patronizes those who have taken trouble to learn something about the history of mankind. One fatal consequence of Mr. Ford's scorn of knowledge has been the development in his head of hallucinations concerning his own power. He really believed that all that was necessary to end the European war was for him to take a ship to Europe and hold up his hand for the fighters to stop. Doubtless he imagined, too, that he could quash recruiting in this country and induce the American people to "sink the whole navy" by letting them know that he favored such a course. Since Mr. Ford has such contempt for knowledge, shouldn't he have been the last person in the land to come forth as an educator? The truth manifestly is that Henry has allowed his leg to be pulled and his purse to be tapped by "advisers" who knew how to tickle his inordinate vanity. One point ought to be cleaned up, namely, who overruled the district board's decision that young Ford should be drafted?

Theodore Roosevelt has been quoted as having said that he was astounded to discover the extraordinary ignorance of most business leaders concerning anything and everything outside their particular field. I could name a few magnates who fit this description, yet my experience is that the majority of our foremost men of affairs possess a remarkable amount of knowledge, particularly of history and of the make-up of the human species.

Every Investor Realizes

that his most satisfactory investments have been those whose safety has been beyond question. This is the chief feature of Government and Municipal

Bonds

of which we always have on hand a comprehensive selection. We shall be pleased to furnish particulars on request.

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At the head of Navigation, on the Great Lakes, the twin cities of Fort William and Port Arthur are becoming increasingly important both from an industrial and commercial standpoint. We offer you bonds of both these municipalities in a wide range of maturities to yield 6%.

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NEWS OF THE BOND MARKET

EXCHANGE IS NOW AN INFLUENCE IN BOND MARKETS

Selling Shows Influences of Both British and U.S. Rates

DOMESTIC SITUATION

Few Offerings in Sight and None of Importance Looked For Until After the Victory Loan

The bond market continues in a very unsettled state and without much evidence of spirit or demand. Added to the factors of the summer lethargy, the approach of the Victory loan campaign and the dullness of the American market, there is the complicated situation in international exchange, which for the moment is perhaps the most potent influence. So far as the Canadian situation is concerned the exchange factor works in two directions. It is having a tendency to bring to Canada bonds which have been held in Great Britain and which can be realized upon to advantage at this time, and at the same time to cause liquidation of issues payable in the United States, where Canadian funds are at a premium.

For the most part the securities being sold by British holders are in odd lots, and realizing is induced only by the substantial margin represented by exchange. The same applies to Canadian issues payable in the United States, with the added consideration that there is a definite tendency on the part of big holders of Canadian securities—corporations and financial institutions particularly—to increase their available funds for investment in the forthcoming Government loan. This latter tendency is undoubtedly an important factor in the present weakness of the outstanding Government issues. It would seem that it is now being realized that with a well-organized campaign such as is being arranged public opinion must be recognized, and this will mean that the big subscribers will have to look to their previous records. At to what is becoming of the bonds being marketed under this realizing effort there appears to be some difference of opinion, but it would seem that some of them at least are being bought up and set aside by dealers who look for a better public demand when the Government loan has been finally disposed of.

As to the loan itself there is no more definite information, although the organization work is going ahead satisfactorily. THE FINANCIAL POST has been informed, however, as indicated elsewhere, that the reported sum of $250,000,000 is not definite, and that it may be $300,000,000, with $500,000,000 set as the goal of the campaign.

The Local Situation

The Belleville issue was practically the only event of the week of interest in the Canadian market situation. This went to Aemilius Jarvis & Co., the tender being at 102.26 for $67,352 of 6 per cents running 27, 17, 4 and 3 years; the basis was 5.8 per cent. The price was regarded as a good one under the market conditions, but it is understood that the issue will be a week absorbed on a basis to yield 5.60 per cent. Further particulars regarding the Medicine Hat sale to the same firm came out during the week; this issue will be sold to yield 5.90 per cent.

Announcement was also made regarding the town of Preston issue of $38,000 20-instalment 5½ per cent. debentures which went to Dyment, Anderson & Co. at 97.07. There were two other bids: A. E. Ames & Co., 96.063 and Brent, Noxon & Co. 94.625.

There is very little new financing in sight. Not only have the dealers agreed to close the market after the first week of September to make way for the loan, but until the air is cleared of the big national issue offerings are not likely to meet a satisfactory reception. There is another million of Greater Winnipeg Water District to be marketed, and Vancouver has $800,000 on which tenders have twice been called; Toronto will also be in the market for some $2,400,000. However, it is not thought that the market will be tested out by such large issues until after the big campaign.

HOLDING NEW ISSUES

Montreal Bond House Gives War Loan Clear Field

In order to avoid competition with the war loan, the Royal Securities Corporation, Montreal, announces that its recent purchase of $1,750,000 Donnacona Paper Company 6% bonds, will be withheld from the market until the Government demands on Canadian investment funds have been satisfied.

This company, which reports having placed $11,000,000 of new issues of Canadian Public Utility and Industrial Corporations in the past eight months, has offered the services of its sales force of sixty-five to the Government during the time the war loan remains open.

N.S. FARED BETTER THAN ONTARIO

Halifax Treasury Officials Show How Maritime Province Saved Money

By Special Representative

HALIFAX.—The officials of the office of the Provincial Treasurer's Department are congratulating themselves on what they say was better financing for Nova Scotia than that of Ontario in the recent issues for those Provinces. In speaking with the representative of the FINANCIAL POST, one of the Halifax treasury officials said that this Province borrowed $500,000 on ten year bonds at 5 per cent. and that the money was obtained at 98.18. The Ontario issue was for five years at 5½ per cent. and that Province gots its money at 98.87. It is figured out by the officials here that Ontario should have got 100.60 per cent. to have done as well as Nova Scotia. According to this the Nova Scotia rate is pronounced to be almost three-quarters of one per cent. better than that of Ontario, and the saving to this Province in cash was $3,650.

BOND PRICE REACTION

Rather Startling Declines Since June Last—Some Reasons

Based on quotations of the August 15th circular of Morrow & Jellett, the following comparisons may be made with prices now prevailing and those of last June:

	Price to yield June %	Aug. %
British Columbia 5½s, 1939	5.30	5.50
Point Grey 5's, due '61-'62	5.75	6.00
C.N.R. 4½'s, 1942	5.50	5.75
Brandon 6's, 1934	5.60	6.00
G.T.P. 4's, 1939	5.50	5.75
G.T.P. 3's, 1962	5.20	5.60
Ontario 4's, 1926	Par	5.15

It should be particularticularly noted that the railroad issues are Government guaranteed and are, therefore, trustee investments.

The following reasons are given as explaining the reaction:

(1) The new war loan which was floated in the United States on a 5.90% basis.

(2) The drop in sterling exchange bringing bonds out from England at reduced prices.

(3) Expectation of the new Canadian loan in the fall, which in the meantime affects the local market because investors and institutions withhold commitments to a large extent to purchase the new war loan.

BY LOCAL SALE

Charlottetown Will Endeavor to Dispose of $100,000

The City of Charlottetown is advertising as "a good and sound dividend paying investment," debentures to the amount of $100,000, in denominations of $100 and $500, to yield interest at the rate of 5 per cent—payable semi-annually—and to run for a term of twenty years, which it is hoped will be taken up by the people of the city and province. Applications may be made to the city clerk or to any chartered bank in the city or province.

BONDS YIELDING 6½-7%

Last week THE FINANCIAL POST published the replies of several leading bond houses to the question of one of our subscribers: "What, if any, are the good, sound bond offerings in the Canadian investment market at present offering a return of 6½ to 7 per cent.?" Further replies have been received as follows:

F. B. McCurdy & Co., Halifax.—"We submit the following, issued by companies well known to us, and all of which we regard as being well secured, and any of them would, in our opinion, prove satisfactory investments: Chronicle Publishing Company, 6%, due 1931, at 95, to yield 6.60; Nova Scotia Steel and Coal, 6% debenture stock, at 91, to yield 6.60; Trinidad Consolidated Telephones, 6%, due 1936, at 92½, to yield 6.75; Trinidad Electric Company, 5%, due 1931, at 83, to yield 7%, and Nova Scotia Tramways and Power Company gold coupon notes, principal and interest payable in New York, 7%, due 1922, at 100, yield 7%. The "Morning Chronicle" of Halifax is regarded as the best-established newspaper east of Montreal."

Greenshields & Company, Montreal.—"The following bonds should interest your subscriber: Brandram-Henderson 6's, at 96, to yield 6.40; Wayagamack Pulp and Paper 6's at 87, to yield 7%; Mattagami Pulp and Paper convertible debenture 7's at 95, to yield 7.5%; Abitibi Power & Paper convertible debenture 7's at 101, to yield 7%. An investment spread over these issues would give a return of 7 per cent. from the outset. The convertible feature of Mattagami's and Abitibi's we consider valuable, as it offers an opportunity to participate in the future prosperity of the two companies, whose outlook is most promising. A speculative chance is added to good investment values.

BOND MEN LEAVE CLEAR FIELD FOR SIXTH WAR LOAN

Will Issue No New Securities Between Sept. 8 and Nov. 22

MAY BE $300,000,000

Amount of Issue Not Definitely Announced—Finance Minister Looking For $500,000,000

Provincial organizers for the sixth Dominion of Canada War Loan are completing their arrangements for floating the new issues. In nearly every case the provincial organizations are the same as last year. The Canadian bond houses have agreed to issue no new securities between September 8 and November 22. As the loan campaign does not open until October 27th, this will allow nearly seven weeks to clear the decks for war bond selling. These firms intend to devote their entire selling organizations to the Victory Loan, and during the actual time the campaign is on, they will practically close shop as far as dealing in other securities is concerned.

The nominal amount of the issue, it may be pointed out, has not yet been decided upon. It wil probably be $300,000,000, THE FINANCIAL POST is informed, and it is said that the Finance Minister expects $500,000,000, despite the recent weak trend of the bond market, and the lack of as strong a patriotic plea as the war has been in the other war loans.

At a meeting of the Toronto bond dealers held a few days ago, a resolution was passed that the organization throw its entire influence in with the Government to make the loan a success. J. H. Gundy, chairman of the Central Committee, will have charge of the bond houses in the campaign, while G. H. Wood, who acted as provincial organizer last year, will probably be chosen to act in the same capacity this year. W. H. McIlwraith has charge of the publicity work.

Montreal Arrangements

At a meeting of the bond houses of Montreal on Wednesday afternoon, arrangements were made to clear the decks by Sept. 8, after which the sales organizations of the different offices will be placed at the disposal of the Dominion committees. The heads of the most of these have already been appointed and several meetings have been held, such, for instance, as the publicity committee.

For the Island of Montreal, arrangements have been completed by which E. W. Beatty, K.C., president of the C.P.R., has agreed to be an active honorary president, and the chairman for the Island will be Percy Cowans, who carried the campaign last year as chairman of the Special Names Committee. The vice-chairmen for the Island will be Rene T. Leclerc, and John W. Ross, both of whom did good service the last two years.

The provincial organization is not yet complete, but all hopes of securing the services of E. A. MacNutt again have been given up, as he will be unable to return from abroad in time. Mr. Frigon is likely to be one of the joint chairmen, but the other has not yet been chosen.

THE AMERICAN MARKET

The Bond Buyer Sees Signs of Weakness

The municipal bond market shows signs of weakness, says the Bond Buyer. Prices are down just a shade and the sentiment among the dealers is bearish. As an instance of the trend of values, bonds that have been offered on a 4.25% to a 4.35% basis up to within a week or so are now being advertised for sale on a 4.30% to a 4.40% basis.

The question of the supply of bonds seems to be uppermost in the minds of municipal bond men. In fact, they express just a little fear that the States and cities will abuse the wide latitude being given them with respect to borrowing. Obviously, there is an ample stock of issues in the hands of the bond men. A few years ago such lists of offerings as are now common with the municipal bond specialists would have been considered most remarkable. On the other hand, the market has broadened out in every direction. It is just as true that there is a more powerful demand for municipals as it is that there is a greater floating supply of bonds. As one dealer expressed it the other day—"Our business is dull right now on account of the holidays but before the war we would have thought we were doing a land-office business if we could have done as well in August as we are doing to-day."

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Private wire service to principal cities in Canada and United States.
We specialize in Western Bond Issues.
EDMONTON - ALBERTA

Stocks Wanted
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Sterling Bank
J. E. CARTER
Investment Broker, Guelph Ont.

Woods Manufacturing Co., Limited
DIVIDEND NOTICE
THE regular Quarterly Dividend of One and Three-quarters per cent. (1¾%) on the COMMON STOCK of WOODS MANUFACTURING CO., LIMITED, for the Quarter ending August 31st, has been declared, payable September 1st, 1919, to shareholders of record August 25th, 1919.
By order of the Board,
JOHN T. F. KEENE,
Secretary-Treasurer.

ODD LOTS

Provinces

		Price to Yield.
Alberta	1922	5.75
British Columbia	1939	5.50
Manitoba	1939	5.40
New Brunswick	1922	5.75
Nova Scotia	1929	5.40
Ontario	1928	5.35
Saskatchewan	1929	5.50
Cities.		
Toronto	1937	5.35
Winnipeg	1939	5.40
Vancouver	1933	5.70
Halifax	1953	5.40
Calgary	1933	5.85
Victoria	1925	5.75
Regina	1923	5.75
Edmonton	1921	5.90

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Houser, Wood & Co.
Announce the Removal of their Office to
10-12 King St. East, - Toronto

Houser, Wood & Co.
INVESTMENT BANKERS
10-12 King St. East, - Toronto

DFBENTURE FOR SALE

SEALED TENDERS

WILL be received up to Sept. 6 noon for $30,000.00 Township of Charlottenburgh debentures in $1,000 denominations, with coupons attached, payable in twenty equal annual instalments, 5½% interest.

GEORGE A. WATSON,
Clerk,
Williamstown, Ont.

FOR SALE

$100,000—5%—10-year, County of Welland Debentures. Tenders will be received by the undersigned up to 12 o'clock noon, Wednesday, September 3rd, 1919. By-law of said debentures can be seen at the Clerk's office.

ROBERT COOPER,
County Clerk.

TENDERS WANTED

TENDERS will be received by the undersigned up to Friday, Aug. 29th, for Debentures of Weyburn City School District No. 521, Eighty Thousand dollars thirty-year six per cent., semi-annually. Tenders to be alternate basis of, (one) annuity method of repayment; (two) instalment method of repayment. Regina funds and delivery.

Information on application.

C. O. DAVIDSON,
Secretary Local Government Board.

FIELD OF MUNICIPAL FINANCE

EDMONTON TAXES AIDED BY A NEW ARRANGEMENT

Large Collections on Current Account First Half of Year

HIGHER EXPENSES

Increased Cost of Operating Municipal Departments is Reflected in Various Expenditures Made

EDMONTON.—Largely as the result of the adoption of a by-law permitting taxpayers to make prepayment on account of the current year's taxes under the terms of special discount the half year statement of the City Comptroller, D. Mitchell, shows that $1,085,118, including business and income, has been paid to the end of June. This amount compares with little or nothing paid in the first six months of 1918, and has had the effect of reducing the city's overdraft with the bank to $37,727—a comparatively small sum. At the same time there was collected on account of tax arrears, the sum of $526,054, as against $129,433 last year. These figures were inclusive of tax sale proceeds. The revenue for the two years may be compared as follows:

Revenue—	1918	1919
Assessor and tax collector	$ 89	$ 144
Building inepector	250	507
Fire	356	269
Health and cemeteries	700	1,529
License and collection	31,747	35,029
Markets	2,503	3,252
Parks	1,811	3,092
Police	1,170	3,946
Pound	200	254
Streets, scavenging	10,140	15,259
Miscel., rents, etc.	7,366	8,412
Interest and exchange	27,185	29,553
Current taxes—		
General taxes	....	1,000,910
Business taxes	....	35,854
Income taxes	328	48,352
	$ 83,852	$1,186,371
Arrears of taxes—		
General taxes	1,029,433	480,597
Business taxes	....	30,159
Income taxes	....	15,297
	$1,029,433	$ 526,054

Expenditures

General administration expenditures for the half year amounted to $392,727, as contrasted with $319,869 for the corresponding period of last year, representing an increase of $72,858, for which the fire, police, streets and scavenging departments and hospital board are mainly responsible In the fire department the adoption of the two platoon system went into effect only on the 1st of July, and will therefore involve an additional increase in the cost of the department for the latter half of the year. The expenditures on account of the police force, amounting to $52,319 are inclusive of the extra cost incidental to the sympathetic strike during the months of May and June, which amounted to $3,426. Expenditures subsequent to 30th of June of this department are expected to bring the total expenses of the strike up to about $5,000. Owing still further to substantial increases in the salary schedule of the police force recently approved and retroactive since 1st of April last, the original estimates of the police department for the year amounting to $120,065, have been enlarged to $132,608. The additional expenditures will therefore be reflected in the current half year's report. The requirements of the hospital board (which include a special grant of $10,000 on account of influenza epidemic) also show a considerable increase over last year.

As the estimates for general administration for the year are approximately $900,000.00, it will be noted that, on a proportionate basis, the current expenditures are well within the estimates for the period under review.

It should be mentioned that as from 1st June, the rate of interest on the city's overdraft at the bank has been reduced from 6½% to 6%. The following are the comparative expenditures for the period ending 30th June, 1919 and 1918 respectively:

	1918	1919
Controllable—		
Departments	$ 273,778	$ 316,280
Miscellaneous	21,993	20,747
Grants, etc.	24,097	55,659
Total	$ 319,869	$ 292,727
Uncontrollable—		
Interest, etc.	243,012	229,171
Deb. int. and red. emp.	658,425	635,000
Total	901,437	864,171
Gross	$1,221,306	$1,256,898

The results of the operation of the city's utilities, including electric light and power, street railway, telephone and waterworks, are particularly deserving of notice, a net surplus for the six months being shown of $71,292.52 after providing for capital and depreciation charges on the combined utilities. The following is a recapitulation of the net results of each particular utility for the half year:

Net surpluses—	1918	1919
Elec. light and power	$ 54,628	$ 72,464
Telephone	16,579	26,375
Waterworks	14,588	17,064
	$ 85,797	$ 115,904
Net deficit—		
Street railway	$ 56,127	$ 44,612
	$29,669	$71,292

The Corporation of the CITY OF TRAIL

BRITISH COLUMBIA

SEALED tenders will be received by the undersigned up to 5 p.m. on Monday, September 15th, 1919, for the purchase of $15,500 civic improvement debentures, dated October 1st, 1919, maturing October 1st, 1939, bearing 7 per cent. interesct payable half-yearly on April 1st and October 1st.

No tender necessarily accepted.

WM. E. B. MONYPENNY,
City Clerk.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

Aug. 30, Brooke Township.—$5,190 6 per cent. five-year debentures for drains.—W. G. Weed, Clerk, Brooke.

Aug. 28, Alberta Schools.—$25,800 in nine blocks; 6½ per cent.; 10 and 15 years. J. T. Ross, Deputy Minister, Edmonton.

Sept. 6, Charlottenburgh Township.—$30,000, at 5½ per cent., payable in twenty equal annual instalments.—Geo. A. Watson, Clerk, Williamstown.

Sept. 15, Trail, B.C.—$15,500, 7 per cent., half-yearly, 20 years, for civic improvements.—Wm. E. B. Monypenny, Clerk.

Sept. 3, Welland County.—$100,000. By-law can be seen at Clerk's office.—Robert Cooper, Clerk.

Aug. 29, Weyburn—$8,000, 6 per cent., twenty years.—C. O. Davidson, Secretary Local Government Board.

BY-LAWS PASSED OR DEFEATED

Sept. 3, Brantford Township—$26,000, 5 per cent., twenty years.—Jas. A. Smith, Clerk, Brantford.

Trenton.—$60,000 for school purposes. Passed by the Town Council August 13.

York Township.—$60,000 for school purposes in Section 26. Twenty annual instalments, with interest at 5½ per cent., payable semi-annually.

Wilberforce Township—$5,000, at 5 per cent., payable annually for ten years.

Toronto.—$2,395,356, for the purpose of paying for the following works and undertakings: Balance of cost of Registry Office, new street cars, relief sewers, to defray liabilities incurred in connection with the Teraulay Street extension scheme (since abandoned), certain local improvement works, to complete cost of Strachan Avenue and Cherry Street bridges, Public Library sites, waterworks extensions, parks and playground sites, and for the carrying out of the city's share of the waterfront improvement. Passed by City Council.

DEBENTURE NOTES

Vancouver.—The School Board has decided to place a by-law for $465,000 before the ratepayers within the next few weeks. Of this sum $200,000 is for the proposed technical school to be financed by the Dominion Government under the Technical Education Act, and the balance will be devoted to the extensions and improvements to buildings and equipment of various public schools. It is declared by the board that Vancouver has been defeating school by-laws with such regularity for the past few years that, with the school population increased 40 per cent. since 1912, the situation is desperate as regards accommodation and equipment. As for the technical school, it is expected to cost nothing to maintain for ten years, and the board undertakes to advise the City Council to drop the project if the Provincial and Dominion Government grants do not in some measure come to Vancouver.

Winnipeg.—At the most advantageous moment in the near future the Greater Winnipeg Water District will put on the market a million dollar bond issue at 5½ for a period of 30 years. This will be the last issue it will be necessary to market, and will bring the issue total up to about $14,800,000. The total cost of the work will be about $15,500,000, but some of it will be provided for by the sale of equipment, etc., which will not in future be required. Commenting on the million-dollar issue, Commissioner R. D. Waugh said it had been authorized by the board some time ago. At the time, however, it was considered advisable by the chairman of the administration board, the Bank of Montreal, and the treasurer of the board to wait till the most favorable time presented itself for putting the issue on the market.

Winnipeg.—A profit of $9,473 made on $500,000 worth of 30-year 5½% City of Winnipeg debentures as reported by the City Treasurer. The debentures were sold to A. E. Ames & Co., of Toronto, and payment was received with accrued interest. The sale was made at 104.87, which the committee members stated was very gratifying.

Lancaster Township.—A. J. Macdonald, clerk of the Township of Lancaster, Ont., writes to the Financial Editor of the Mail and Empire to say that, contrary to the report published in certain quarters, the township in question has not called for tenders for the balance of its $100,000 issue.

REDUCTION IN WINNIPEG DEBT IN THE YEAR 1918

Funded and Current Obligations Considerably Reduced

THE SINKING FUNDS

All Instalments Were Either Paid During the Year or Have Since Been Handed Over

In the annual report for the year ended Dec. 31, 1918, D. Mitchell, City Comptroller of Winnipeg, calls attention to a reduction in the city's net funded debt from $21,556,948 to $20,649,420, and in current loans from $5,934,012 to $5,576,550.

The year 1918 was critical in many respects, and particularly so in the case with the city with regard to the very heavy current liabilities amounting to $3,371,563, which matured within the period. Of this amount, loan renewals were arranged for with Messrs. Otis & Company, Cleveland, and the Sinking Fund Board for $1,100,000 and $335,000 respectively, the balance, with the exception of a Demand Note due to the bank for $178,868, having been otherwise discharged. It is, therefore, gratifying that the city's municipal obligations have thus far been so successfully negotiated notwithstanding the unprecedented conditions created by the war, and at the same time that the city's credit has not merely been maintained but enhanced accordingly. Sufficient comment on the situation may be derived from the circumstances that the required Sinking instalments have been fully provided for throughout the progress of these several strenuous years of the European conflict.

Funded Debt

The debenture debt outstanding as at 31st December, 1918, was $25,242,518, inclusive of General, Special (property share) and Utilities. Of this the following analysis shows that taking into account the Sinking Fund Investment, the Net General (Non-Revenue producing) Debt is $9,864,005, or $362,284 under that of 1917:

Total debenture debt outstanding		$25,242,518.89
Deduct:		
(1) Special debentures	3,960,794.46	
(2) Utilities	9,685,909.09	
	$13,646,703.55	
(3) Sinking fund investment of $4,415,101.42 on gross funded debt, less sinking fund of $2,683,291.92 on foregoing specially rated and revenue-producing debts	1,731,809.50	
		$15,378,513.05
Net general debt		$ 9,864,005.84

The Sinking Fund Investment as indicated ($4,415,101), inclusive of surplus earnings ($177,996), now amounts to $4,593,098.

Sinking Funds

The City's Auditors report as follows on the condition of the Sinking Funds:

The securities covering the various investments of the sinking fund have been exhibited and found in order. The same method of valuation as in previous years has been followed. The percentage of each class of investment as at December 31, 1918, is as follows:

First mortgages over real estate	26.83%
Bonds of the Dominion of Canada	10.69%
Bonds of and securities guaranteed by provinces	11.41%
Debentures of municipalities and school districts	11.47%
City of Edmonton debentures	8.9%
City of Edmonton short-term debentures	24.23%
Interest due and accrued	5.86%
Cash	.61%
	100.00%

All the sinking fund instalments for the year 1918, and all the interest falling due by the city to the fund have been paid over with the exception of a balance of $106.496, and this balance has been paid over during the current year. In the case of debentures hypothecated to the Imperial Bank of Canada under by-laws 672 and 711 sinking fund has been levied by the city, but has not been paid over to the fund.

We have checked the calculation of the amount required to be in the fund as at December 31, 1918, and find the amount arrived at, viz.: $4,415,101 to be correct. The amount actually in the fund is $4,593,098, showing a surplus of $177,996 subject, as stated in previous years, to realization of the mortgage loans.

BOND SALES

$4,000 Can. Car at 96 to 86¼; $1,000 Can. Cement at 100½; $2,000 Can. Rubber at 96; $500 Dom. Can. at 95; $600 Mont. Sept. at 100½; $1,500 Que. Ry. at 67; $100 Penmans at 93½; $100 Sher.-Williams at 99½; $275,350 Victory Loan (1922) at 100⅜ to 99¾; $359,100 Victory Loan (1923) at 100½ to 97⅞; $58,900 Victory Loan (1927) at 102⅜ to 101¼; $470,915 Victory Loan (1933) at 104½ to 103; $237,600 Victory Loan (1937) at 105½ to 104¼; $10,400 War Loan (1925) at 99¾ to 97½; $43,000 War Loan (1931) at 98¾ to 97¾; $51,000 War Loan (1937) at 101¼ to 99.

OUR BUSINESS

"Believing that Trust Companies created for the administration of trusts and estates should practically last forever, the Board of this Corporation have laid down the principle, and have acted on it since its inception (in 1882), that we shall exclusively confine ourselves to a trust and agency business."

General Manager at Annual Meeting of Shareholders.

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TORONTO GENERAL TRUSTS
CORPORATION
Head Office, 83 Bay Street, Toronto
Branches at Ottawa, Winnipeg, Saskatoon, and Vancouver

McDougall & Cowans
(Members Montreal Stock Exchange)
93-95 NOTRE DAME STREET WEST, MONTREAL
Branch Offices:
Quebec — Toronto — Ottawa — St. John — Winnipeg — Halifax
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HIGH GRADE PULP AND POWER ISSUE
6½ %
SERIAL SECURED GOLD BONDS
SAGUENAY PULP AND POWER COMPANY
Maturing from July 1921 to July 1934
PRICE: Par and Interest
BEAUSOLEIL LIMITED
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Business Founded in 1795
AMERICAN BANK NOTE COMPANY
(Incorporated by Act of the Parliament of Canada)
BANK NOTES, BONDS, STOCK
CERTIFICATES, CHEQUES AND
OTHER MONETARY DOCUMENTS
SPECIAL FACILITIES FOR THE PREPARATION OF MUNICIPAL DEBENTURES
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Branches:
TORONTO MONTREAL WINNIPEG

We are prepared to underwrite well secured bond issues of Industrial Corporations in good financial standing

R. A. DALY CO.
BANK OF TORONTO BUILDING
TORONTO

Lost Certificate

Certificate No. 647 for one share in the Common stock of Abitibi Power & Paper Co., Ltd., standing in the name of T. U. Fairlie, in trust, has been lost. Finder is requested to return same to the office of the Company in Montreal.

We Own and Offer
PROVINCE OF
BRITISH COLUMBIA
5½% BONDS
Due 1929
Price to Yield 5.40%
McKAY & McKAY
306-7 C.P.R. Bldg., TORONTO
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PROVINCE OF
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5% BONDS
Due 1939
Price on Application.
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106 Bay Street Toronto
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LOANS WANTED

Advertiser requires the agency for a loan company which will make loans for the erection of dwellings and mercantile buildings, in the town of Drumheller, Alberta. Population 2300. Electric Light and Waterworks, Fire Protection. 22 Coal Mines. Unsurpassed farming district. Large Payroll. Most progressive town in the West. Write J. C. Knight, J.P., Drumheller, Alta.

Debentures For Sale

Town of Cochrane, Ont.

$5,500 equal annual payment debentures, 20 years, bearing 6% (Six) coupons attached for the interest payable at any place in Canada, Great Britain or United States. Issued for waterworks extensions. Tenders will be received by the undersigned up to and including the 2nd day of September.

H. J. BROWN,
Treasurer

SIZE, STRENGTH, LIBERALITY

The Sun Life Assurance Company of Canada, with over $340,000,000 of business in force, has all the advantages that size can bring to a life company.

With assets of over $97,000,000 and surplus of over $8,000,000 it has decided strength and safety.

Its policy, conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

For information as to contracts, communicate with the nearest Division office, or with the Company's Head Office in Montreal.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL
T. B. MACAULAY, President

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL
Authorized Capital - - $2,000,000.00
Subscribed Capital - - 1,000,000.00
Paid-up Capital - - - 247,015.79
General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Independent Order of Foresters

Furnishes a Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies issued from $500 to $5,000. For further information and literature, apply to

Benefits Paid 63 Million Dollars

FRED J. DARCH, Secretary
W. H. HUNTER, President
S. H. PIPE, F.A.S., A.I.A., Actuary
HEAD OFFICE - - - TORONTO

CONSERVATION OF LIFE INSURANCE

Life insurance is of supreme value in these uncertain times. Life insurance should not only be jealously guarded and kept in full force, but it should be increased if at all possible. It is a well known fact that the dollar has greatly diminished in value so that a given income will not purchase much more than one-half the amount that it would have yielded in pre-war days. Not only, therefore, should we resist every inducement to relinquish our insurance, we should rather increase our protection to the limit of our ability. Ther is nothing else to be compared with a life insurance policy as a protection for the home. During the policyholder's life it is an asset of ever increasing value: at death it is the financial anchor of one's dependents. Do not allow your "best friend" to induce you to give up a policy in a sound company. Take a new policy if you can, but never give up the old!

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO : : ONTARIO

5½% INTEREST RETURN

INVEST YOUR SAVINGS
In a 5½ DEBENTURE of
The Great West Permanent Loan Co.
SECURITY
Paid-up Capital $2,412,578.81
Reserves 964,459.39
Assets 7,086,695.54
HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

THE CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
TOTAL ASSETS $2,468,523,08
A Canadian Company Investing its Funds in Canada
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TORONTO: 20 KING ST. W. Lyon & Knowland, Agents

IF YOU FAIL

to dispose of your Estate by Will it will be divided according to law. Is it your desire that your Estate should be dealt with in this manner? We have often seen distressing results from the neglect to make a Will. We are always pleased to give our advice to those who contemplate making their Wills and to quote our fees for acting as Executor or Trustee.

MONTREAL TRUST COMPANY
Sir Herbert S. Holt, President A. J. Brown, K.C., Vice-Pres.
TORONTO OFFICE: 61 YONGE STREET
J. F. HOBKIRK, MANAGER

INVESTORS' INSURANCE NOTES

FIRE ADJUSTERS ISSUE WARNING TO BUSINESS MEN

Majority Have Not Increased Policies on Their Properties

CO-INSURANCE CLAUSE

Would Cause Loss as Valuation Buildings Has Gone Up—Overlooking This While Remembering Stocks

The increased cost of building is a matter that should carry a warning to business men, manufacturers, merchants and the owners of private houses to make certain that the insurance they carry against fire is increased to cover the added cost of construction under present-day conditions. Failure to do so in the case of those who have co-insurance clauses would result in a loss in case of fire.

Inquiries among insurance companies and adjusters would seem to show that while business men generally have been careful to cover in insurance the added values of stocks, whether of raw materials or manufactured goods, the last couple of years, they have not looked after the amount carried on their buildings. The values of goods were constantly before them in their buying and selling activities; but the appreciation in the building itself was not a matter that was called to their attention to any extent.

Replacement (Not Marked Price)

One insurance company recently added to the policy on the building they occupied close to $15,000, owing to the higher costs of building operations. As an insurance adjuster pointed out, in a talk with the FINANCIAL POST, it is not the question of the current market value of buildings that is taken into consideration in fire insurance, but the "replacement" value, less, of course, the depreciation in the worth through age and use as compared with a new building. Many owners of buildings have been working on the current market price for their buildings in considering the fire insurance they should carry. They have argued that because there was a big decline in the price they could get in selling, say, in 1915, 1916, 1917, and 1918, for the property that this determined the value from the insurance standpoint. This is incorrect. If for example a business man is carrying a policy that obligates him to insure up to 80 per cent. of the value of the property—in which case he gets a preferred rate under the "co-insurance" clause—and has had this property insured for $9,600 on a valuation of $12,000, and it would now cost $16,000 to replace the property, and there is a depreciation allowed of $1,000 on the property, and he fails to increase his insurance he stands to make a considerable loss in the event of fire. If the present value—on a replacement basis—is $15,000, the insurance should have been increased to $12,000, that is to 80 per cent. of the new value. As it stands, only at $9,600, if there is a loss of $2,000 say, the owner would receive not this amount in full, but only the fraction of it covered by the insurance compared with what he should have insured for. That is, 9,600—12,000ths of the $2,000. Had he insured for the full $12,000, he would have received the full loss of $2,000.

This condition is one that covers a large number of business buildings at the present time and is one that should be looked after by the assured.

In the case of private dwellings, there is no co-insurance clause in operation, and as a rule the full loss would be paid. Owners in these cases should look, however, to the rapid rise in costs of construction rather than the price that they could have received for the property during the slump years of real estate during the war. Insurance men also point out that furniture prices more than doubled once the war began, and this line of insurance has been as much neglected as that of building.

AUTOMOBILE THEFTS

Federal Legislation is Proposed in United States

WASHINGTON.—Theft of automobiles has become such an issue that the Federal government proposes to take a hand and will if the bill in Congress presented by Dyer of Mississippi is enacted into law. The bill proposes to provide penalties for thefts of automobiles by fine of as much as $5,000 or imprisonment for not more than ten years. It would cover certain acts committed against automobiles, (a) delivered for shipment in interstate commerce, (b) in course of transportation interstate, (c) which have been transported and remain undelivered, (d) which are customarily used for transportation purposes by a common carrier, such as stealing, conversion through fraud, use or operation without owner's consent, etc. Persons offering for shipment automobiles known to be stolen would incur the same penalties as indicated above. The bill has been referred to the House judiciary committee.

TOWN PLANNING AT ST. JOHN

Scheme Approved by Councils of City and Municipalities

OTTAWA.—The St. John Town Planning Scheme, dealing with over 20,000 acres, has been approved by the Councils of the city and the country municipalities. This is an important achievement having regard to the novelty of many of the provisions of the scheme and the somewhat drastic changes which they introduced in local procedure. This scheme has been prepared by the City Planning Commission in consultation with the Town Planning Branch of the Commission of Conservation. The Housing Act of New Brunswick is now on the statute books and a housing scheme has been prepared by the province and approved by the Federal Government according to Conservation of Life, issued by the Commission of Conservation.

PRIVATE COMPANIES AND GOVERNMENT

U.S. Director of War Insurance Pays Tribute to Careful Management

NEW YORK.—The Government comes to the unqualified endorsement of the sound economical conduct of the great private life insurance institution of the United States. In the course of a letter to the Secretary of the Treasury, referred by Secretary Glass with his approval to the committee on appropriation of the House, Director Cholmeley-Jones, of the Bureau of War Risk Insurance, says:

PRIVATE Companies

> "It is to be remembered that insurance companies have become large only after years of careful management and the expenditures they have found to be equitable for the operation of their business may well be regarded as sound economically."

The War Risk Bureau recently issued a statement in this connection, declaring the necessity of conducting a campaign to keep the Government isurance alive in the same way that the private companies campaign. We have already commented upon this point. Mr. Cholmeley-Jones is entirely right. But admitting all that, the Government has a much harder task to face than the companies have. The Government cannot accomplish its task at the same cost that private companies pay. It will cost the Government more, because of the inherent inertia of Government service and that fact that it has none of the outside sources of accretion and growth open to private companies.

Cholmeley-Jones urges that if only one-half of the officers and one-third of the eulisted men are retained permanently under war risk insurance at a cost of $16,000,000 it would amount to $3.05 per thousand of "new insurance written," whereas the company cost, less administrative and overhead charges, was $12.48 per thousand of new business written. The comparison is not very lucid, inasmuch as the Government will not be writing new insurance, but merely holding old business written, and this cost to the companies is technically nominal. The new business written is the spur. There is no new business of any consequence for the Government to write.

It is reported from Washington, although upon authority not yet clear, that three-fourths of all the Government insurance upon discharged soldiers and sailors has instantly lapsed. It cannot be reinstated at any less cost than private companies have to meet. Most of it cannot be reinstated under any circumstances practicable. The men were enormously overinsured for peace conditions.

The matter of interest in all of this is that if the Government is to consider and adopt any of the "economically sound" expenses of the private companies to sustain this public undertaking then away goes the pretense of less cost under Government direction. The people invariably have to pay more for Government service than for private enterprise and get infinitely worse service. All this despite the fact that private insurance is burdened with endless taxation and charges that the Government escapes.—Insurance Field.

Sir Adam Beck, of the Ontario Hydro-Electric Commission, has offered to take over the street railways of Port Arthur and Fort William, put them under one management, and make them pay.

MONTREAL RENTALS LIKELY TO SHOW FURTHER RISE

Big Increases for Sub-Letting Dwellings Indicate Spring Trend

VALUES ARE RISING

Sales Are Being Made at Advances of $500 and Over—Stores Fill Up—Build to Use Vacant Land

By Resident Representative

MONTREAL.—With comparatively little building going on in Montreal to relieve the shortage of houses, the prospect, real estate men say, is that rents will show another fairly heavy advance whenever there are any changes of tenants. For the majority of Montreal properties this will not be until the first of May next, but there will be a number of houses required when the influx takes place next month of those who have been summering among the mountains and down the River and at the seashore, as have thousands of the inhabitants of Montreal. Already since the first of May last rents have been raised where subletting has taken place. This applies particularly to those properties where the proprietor did not take full advantage of the almost wild advances that were made in many apartments and separate houses. In one case an apartment was raised from $32.50 to $50 when it was sub-let, and another change a short time ago in the tenancy gave the landlord an opportunity to charge $55 for the six rooms involved. Another similar apartment went up from $32.50 to $50 for a two-year lease. Other cases noted have seen an advance of $5 a month over the spring rate on apartments where the rental was moderate. General increases are prophesied, however, in the city for next spring.

The values of house properties have been advancing steadily since the spring, some cases showing $500 and others $1,000 each in houses offering around $9,000 and $10,000. Agents report that instances of the full amount of the sale changing hands in the form of cash, are increasing, the profits made during the war being responsible for an accumulation of funds that have not in many instances been invested except in Victory bonds that were readily liquidated.

Office Space in Demand

Those who have office buildings to rent report a much better demand than one year ago, and the most of the main office buildings in Montreal are being filled up. Stores, too, have a much better chance of finding a tenant, in all parts of the city. Land has naturally been the last to move, but sales of building lots are going through in fair quantities, although the 1913 levels have not been reached yet. Much of the land that has changed hands recently has had to have a house erected on it before a purchaser could be found, the vacant land not holding out a strong inducement. In such cases contractors or private owners have put up houses and been content to get out of the house itself practically without any profit, as the sale gave them an opportunity to get rid of the land which had been eating itself up for the past five or six years with constantly increasing municipal tax rates

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BIG BUILDINGS IN MONTREAL

Marcil Trust Company Make Start With Two-Storey Structure

MONTREAL.—The start of what will be a ten-storey office building is being made by the Marcil Trust Company, Montreal, on the site of the old "Herald Building, which was destroyed by fire, and has not since been utlized. For the present this firm will erect a two-storey building with large vault accommodation in the basement, among the most extensive, it is claimed, in this country. The cost of the land, which has a frontage of 70 feet and a depth of 102 feet, was $296,052, the FINANCIAL POST is informed, while the building to be erected at once will cost in the neighborhood of $250,000. Ultimately $500,000 more will be expended. The company now occupies a floor in the Yorkshire Building, and is erecting its own premises it is illustrating the slogan of its real estate department, "Own your own home."

City Architect Pearse issued a permit to the Toronto Housing Commission for the erection of 32 pairs of brick veneer and stucco houses on Webb Ave., near Runnymede road. The total cost is estimated at $188,900.

CANADIAN ORDER
CHOSEN FRIENDS

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

J. L. Davidson, Grand Councillor.
W. F. Montague, Grand Recorder
W. F. Campbell, Grand Organizer.
J. H. Bell, M. D., Grand Medical Ex.
HAMILTON - ONTARIO

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance.
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Assets over - $4,000,000.00
Losses paid since organization, over - $45,000,000.00

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes. Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets over - $7,000,000.00
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For the well groomed man
TEXEND BRACES
Finer than the imported
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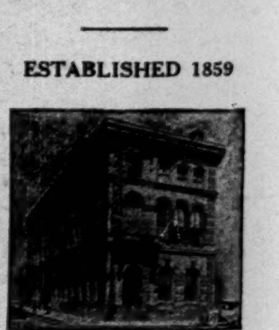
ESTABLISHED 1859



Assets $639,691.53
Surplus to Policyholders 164,217.87
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A. H. C. CARSON, Toronto, PRESIDENT
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HEAD OFFICE, 33 SCOTT STREET, TORONTO.

MORE ACTIVITY IN BUILDING TRADES NOW LOOKED FOR

Industrial Expansion Looming Up in Many Cities

ARCHITECTS HOPEFUL

Baldwins, Ltd., of Swansea, Wales, Completes Purchase of British Forgings, Ltd., Toronto

According to statements of leading architects and construction companies, the outlook in the building business is extremely bright, and while great activity is not anticipated this fall and winter, from plans under way it is expected that building operations will be on a big scale next year. A. L. Steele, of Wm. Steele & Sons, architects, Toronto, in conversation with THE FINANCIAL POST, was very optimistic in regard to the future in construction. He stated that his firm had plans in the making for several big projects, that would likely be commenced early next year. He was not prepared to say just what these were, as they were yet only in the initial stage, but he intimated that they were mostly out of Toronto. At the present time plans are being completed for an early start on the new building for the Adams' Furniture Company, on Yonge Street, Toronto. It will be a concrete structure, and it is estimated it will cost between two hundred and fifty and three hundred thousand dollars. Plans are also being prepared for an extensive addition to the factory of the T. Eaton Company, at Hamilton, Ont.

Purchase British Forgings

Baldwins, Ltd., of Swansea, Wales, have purchased the plant of British Forging, Ltd., in the eastern harbor terminals of the Toronto Harbor Commission. Reference to the probability of this purchase was first made in THE FINANCIAL POST. The new company will operate under the name of Baldwins Canadian Steel Corporation, Ltd. The capitalization is $10,000,000, and all the shareholders are British. The capacity will be 60,000 tons per annum, and employment will be given to 2,300 men in about a year's time, it is estimated.

The corporation by reason of the acquisition of the property, obtained 477 acres of land with 1,000 feet dockage in 24 feet depth of water. It has options on 18 additional acres to the west, and 61 acres to the east. The new owners of the plant will manufacture tin plates and black galvanized sheets to commence with, and will add a mill for the rolling of this product.

Activities in Province

Reports of industrial expansion are to hand from different sections of Ontario. New industries are being established and negotiations are under way for the establishment of others. A Canadian charter has been issued to Handley-Page, Limited, capital stock $2,500,000, with head offices at Morrisburg, Ont., permitting the company to purchase, own, lease, manufacture, build, construct, erect or otherwise acquire, let, hire, charter and operate, deal and traffic in airplanes of all kinds, including monoplanes, biplanes, hydroplanes, flying boats, seaplanes, aircrafts, and other machines, contrivances, and devices, to navigate the air and useful for all air service, commercial, civil and military, and to carry on a general aircraft business.

New Site For Suspender Co.

Henry Greisman, of the King Suspender Company, has purchased the property, 129 to 139 Spadina avenue, on the east side of Spadina avenue, Toronto, at a cost of $30,000. A new factory will be built on the property. It will be of mill construction, six stories high, and will be fitted with one passenger and two freight elevators.

The Canada Food Products Co., to manufacture sauces, pickles, chutneys, catsups, jellies and jams, are negotiating to purchase property in Guelph, formerly occupied by the old Guelph Stove Co.

The Canada Food Products Co., will be capitalized at $50,000 divided into 5,000 shares of $10 each, and arrangements are now being made for a charter in order that the company may make an early start.

The Ekenberg Company of Cortland, N.Y., has completed arrangements whereby they will occupy part of the building of Graham's Ltd., in Belleville, Ont., and will manufacture "Teco Pancake Flour." The Canadian company will be known as the Canadian Teco, Ltd. Machinery is now being installed, and it is hoped that operations will soon be commenced.

Wake Up, Ontario!

Let the Referendum Battle Cry be "No" - "No" - "No" - "No"!

SINCE the announcement in the Legislature last spring that a Referendum on the Ontario Temperance Act would be taken in the fall, the different temperance organizations of the Province of Ontario have formed the Ontario Referendum Committee, which comprises representatives from the organized temperance forces of the Province and the temperance sentiment of the Province outside of these organizations. The new Committee will conduct the Campaign. We are asking the voters of Ontario to decide against the repeal of the Ontario Temperance Act, and, in fact, to vote "No" to all questions submitted on the ballot.

No Repeal—No Surrender

THE Ontario Temperance Act, upon which the approaching Referendum is to be taken, became law on April 27th, 1916, and came into full effect on September 16th, 1916. By the Ontario Temperance Act, sale and distribution of alcoholic liquors for beverage purposes within the Province were prohibited. For practically three years the Province has experienced the good effects of this law. The legislation which brought about these good results, however, was enacted as a war measure.

By explicit promise of Premier Hearst on behalf of the Government of Ontario, made at the time it was introduced in the House, the question of repealing the Ontario Temperance Act or maintaining it as the permanent law of the Province, was to be referred directly to a vote of the people in the year 1919, on the first Monday in June. The exact date was subsequently extended and is now set for the fall of this year.

For the Temperance forces to win they must secure four "No" majorities. That is, a majority for "No" on *every* question. The Temperance forces will be defeated if there is a majority for "Yes" on any one of the questions. You must mark an X after each of the four questions, or your ballot is counted as spoiled.

A century of Temperance progress in this Province is at stake in the coming Referendum. It is, therefore, most important that the Ontario Temperance Act be solidified as permanent legislation.

The Ontario Referendum Committee earnestly and respectfully ask you to mark your ballot with X in the "No" column after each and every question, as indicated in the sample ballot reproduced herewith.

"NO!"—Four Times—"NO!"

Question No. 1

By reference to the sample ballot you will see Question No. 1 asks if you are in favor of repealing the Ontario Temperance Act. You should understand that if this Act is repealed, the Province will go back to the system in operation before the war under the Ontario License Act. Every temperance vote in the Province must be recorded against this abject surrender. We believe the majority of people of all shades of opinion will vote a solid "No" to this question.

Question No. 2

Question No. 2 relates to the sale of beer by Government vendors. If the Act itself is repealed, of course, there can be no amendment of it, for there would be no Act left to amend. "The Greater (No. 1) includes the less (Nos. 2, 3 and 4)," said Premier Hearst. Temperance people must vote "No" to this question also. Beer of the proposed strength, 2.51% alcohol by weight, is intoxicating. It is just as much intoxicating when sold in Government shops as when sold in licensed liquor stores or saloons.

The Referendum Ballot

AND HOW TO VOTE

	Yes.	No.
1. Are you in favor of the repeal of the Ontario Temperance Act?..............		X
2. Are you in favor of the sale of light beer containing not more than 2 51-100 per cent. alcohol, weight measure, through Government agencies, and amendments to the Ontario Temperance Act to permit such sale?........................		X
3. Are you in favor of the sale of light beer containing not more than 2 51-100 per cent. alcohol, weight measure, in standard hotels in local municipalities, that by majority vote, favor such sale, and amendments to the Ontario Temperance Act to permit such sale?...............		X
4. Are you in favor of the sale of spirituous and malt liquors through Government agencies, and amendments to the Ontario Temperance Act to permit such sale?		X

Question No. 3

Since September, 1916, the beer permitted to be served in Standard Hotels was limited to 2.50% *proof spirits.* The proposal in question No. 3 means increasing the intoxicating strength of beer allowed to be sold in bars to 2.51% *alcohol by weight,* equal to 5.46% proof spirits. That is more than double the strength now permitted by the Ontario Temperance Act, and more than five times the alcoholic strength defined as "intoxicating" in England and the United States. Vote "No" to question No. 3.

Question No. 4

Are you in favor of "taking the lid off alcohol," so long as the drinking is done elsewhere than in open bars? The proposal in question No. 4 is to legalize the strongest intoxicating liquors of all kinds—whiskey, brandy, gin, rum, strong beer, ale, stout, and all the rest. It merely restricts the place of sale to Government shops instead of licensed hotels and liquor stores. Can there be any two answers to that question in the minds of the thinking people of Ontario? The answer to that question is, *"No."*

THE Ontario Referendum Committee publish this advertisement with the purpose of letting the people of the Province know exactly where the issue stands. The Committee desire to have the meaning of the Referendum questions thoroughly understood before the time comes for voting, and to feel that the people of Ontario when they express their will by the ballot have a full knowledge of the facts before them. Remember that every person with a vote in Provincial elections has the right to vote in this Referendum. Remember that in this Referendum women have equal voting rights with men. Remember that Victory means the Ontario Temperance Act—*as it stands.*

Ontario Referendum Committee

JOHN MACDONALD, *Chairman.*
D. A. DUNLAP, *Treasurer*
ANDREW S. GRANT *Vice-Chairman and Secretary.*
(1001 Excelsior Life Bldg.; Toronto)

10

INTERESTS OF INVESTORS AND PUBLIC ARE SAME

Unwarranted Prejudice Of Present Day Very Harmful

PUBLIC UTILITIES

They Are Built and Developed on the Basis of the Security Offered and the Return on the Investment

By **RUSSELL ROBB,**
In the Bulletin of the Investment Bankers of America.

In all the discussion of affairs that are of sufficient size and importance to be of public interest, there is searching inquiry for some hidden touch of a private interest. It seems to be assumed that if any private interest is to be benefited or even safeguarded by a solution of difficulties, by this fact alone the representatives of this private interest are disqualified as witnesses or advisers and should even be suspected of a selfish attempt to profit at the expense of the public.

There should be no criticism, of course, of attempts to discover conflicts between public and private interest. They cannot be allowed to conflict, but it should be recognized that both public and private interests may run a long way in parallel lines and much is lost in the consideration of problems if those who have the greatest familarity with the essential factors are to be disqualified and eliminated from the discussion.

The investment bankers have a profound interest in the problems that have come so thick and so fast to the public utilities of the country. These bankers have for their business the searching out of people who will invest instead of spend, who will be content to forego present goods and satisfaction, if instead they may have a little more of them to use or give to others in the future. The bankers are always searching for those who prefer to have, a year from now, $1.05 or $1.06 or $1.07 rather than $1.00 now. The more people they can find who wish these opportunities and the more people they can fit with suitable opportunities, the more service they can render. This service being paid for, the greater number of investors they find and serve acceptably, the greater grows the investment banker's business, position and fortune.

The Banker and the Investor

The securities of public utilities have been of great interest to the investment banker because he has seen in them suitable opportunities for his customers. He has seen that the services rendered by the utilities were necessities of modern life, that the demand for the services fluctuated comparatively little in good times and bad, that the capital invested in them was represented by substantial structures, and that the need for the services could be expected to continue for a long time into the future.

These features are important to the real investor. He is not attempting to "double his money" in a year, but he is expecting to be certain to have his original $1.00, practically certain of as much as $1.05, and with very little progressive uncertainty $1.06 or $1.08.

Integrity of the investment, which is so important to the investor, is equally important to the investment banker. His business, if it is successful and growing, is peculiarly one of recurring dealings with old customers, but these dealings do not continue if the securities he sells prove to be insecure. When a security that is sold is based on a kind of property that becomes unstable in value because there are factors that are changing and indefinite, and cannot be weighed by the use of knowledge and judgment, then such a security can no longer be used by the banker in his dealings.

Security of principal and constancy of return are the two virtues of an investment that interest the investment banker. Given these and his road is clear. He will then search out and he will hold in future business all those who are willing to help to create new instruments of production if they can be confident of receiving 5, 6, 7 or 8 cents in a year from now as a reward for refraining from spending $1.00 now. Not many are willing so to refrain for this reward. That is why it is so important for the good of society that all the willing ones are found. It is the way we get our instruments of production. These are the people who "grubstake" the worker.

Parallel Interests

It is here that one sees how closely parallel are the public interests and the investment banker's interest in our utility problems.

Our utilities furnish the great community necessities; transportation, water, light, heat, power and electric communication. The public is vitally interested in good service from these utilities and in their efficient operation, and it is interested to have capital invested in them at low rates of return because good service, good operation and moderate pay for capital induces the greatest use of these desirable services; and this greater use in turn increases the well being of communities.

There is no conflict here between the public interest and the investment banker's interest. The investment banker, for the most successful conduct of his business, must have the very conditions desired by the public.

His business is to find capital seeking investment and to supply it to enterprises that demand it for increasing their facilities to do business. He must have the demand from the enterprises in order to have securities to sell to investors as they can be found. When conditions are such that enterprises are apparently secure in their prosperity, investors will furnish capital at moderate rates of return, and it is when capital is furnished at moderate rates of return that enterprises expand and keep expanding as long as they can make a margin of profit over the cost of the capital required to do the expanding.

Public utilities were largely built and developed when there was little doubt of their security and when capital was furnished at moderate rates. Most of their business depends for expansion upon a moderate charge for capital.

The investment banker consequently has his greatest business in public service securities when investors are willing to take them at low rates of return. With a demand existing, with prospective business in sight, assuredly the investment banker will search diligently for good opportunities to purchase securities to sell again, and this stimulates additional capital expenditures of existing utilities and the creation of new ones. Let such a condition come again, or better still let the security of principal and constancy of return be so well assured that investment could be attracted at rates lower than ever before and we should at once see the most healthy kind of stimulation to the creation of all kinds of permanent plants and structures for the purpose of producing old types of service more cheaply or better, or of rendering new types of service of various kinds that will enable people to live their lives more fully or secure old facilities at less sacrifice.

WHAT IT MEANS TO RUN A RAILWAY

Some Figures Showing the Tax Bills and the Cost of Fuel

The appened summary will be interesting in regard to comparative figures, in the amount of Provincial and Municipal taxes, paid by Canadian Railways, as issued by the Department of Railways and Canals.

Province.	Provincial	Municipal
Nova Scotia	$ 25	$ 1,680
New Brunswick	54,262	4,18[illegible]
Quebec	117,756	507,060
Ontario	702,539	990,589
Manitoba	234,54	102,597
Alberta	112,611	97,455
Saskatchewan	135,999	27,187
British Columbia	457,819	291,602
Yukon Territory	6,826	......
Outside of Canada	159,476	6,871
Totals	$1,918,860	$2,029,228
Total Provincial and Municipal		$4,011,088

Fuel Comparison

The volume and cost of fuel for railways for the past seven years is as follows:

Year.	Tons.	Cost.
1907	5,608,954	$15,137,504
1909	6,832,108	17,544,449
1911	6,800,648	20,182,193
1913	9,263,984	28,426,355
1915	6,903,418	20,889,055
1917	10,130,799	36,784,642
1918	10,173,344	52,630,430

MARITIME BOARDS OF TRADE

Postponed Until September—First Since the Outbreak of War

The convention of Maritime boards of trade—an annual affair of much importance to the business interests of Eastern Canada, which has not been held since the outbreak of the war—planned this year for Moncton, has been postponed until September 17 and 18 owing to the inability of a number of prominent men to attend this month.

FARES IN CHICAGO

Seven to Fourteen Cents Are Now Charges Allowed

CHICAGO.—Chicago's traction system received greater benefits from the Illinois Public Utilities Commission than had been anticipated. The "L" was authorized to charge 8 cents on the Oak Park line and 14 cents to Evanston and Wilmette and the Northwestern Surface lines charge 7 cents for adults and 4 cents for children. That the financial side of the traction proposition has not been fully understood by the public was supplied in a statement issued by Chicago banks in

THE BASIC PRINCIPLES OF FINANCIAL REHABILITATION OF SUFFERING EUROPE

Continued from page 10

in the international loan, with adequate safeguards insuring to the borrowers that these materials were furnished at proper prices.

The International Loan Commission would propose to the borrowing nations that they would furnish to them credits to the determined amounts, to be expended in the way provided, against obligations that in the case of every nation followed the same formula. The obligations would run say for fifteen years, bear — per cent. interest, provide for amortization of one-fifteenth each year, and be repayable, interest and amortization, in the currencies of the various lending countries in the proportion in which the obligation was at the time of each interest payment actually held by the nationals of such country.

Each borrowing nation should pledge a first lien upon its customs revenue to meet the interest and amortization service of that portion of the international loan allocated to that particular nation.

The International Loan Commission would issue for sale to the investors in each loaning nation its obligations secured by the obligations of the several borrowing nations. The interest charge on the obligation of the International Loan Commission would be the first charge against all the income received by the loan commission from all of the borrowing nations. If one or more of the borrowing nations defaulted in the first years of the contract the International Loan Commission could devote such part of the amortization funds received from the other nations as might be necessary to the payment of interest on the International Loan Commission's total outstanding bonds and any such depletion of amortization funds could subsequently be made good when the defaulting nation made good its overdue obligations. The result of this would be that even in the event a nation defaulted in its obligations to the International Loan Commission, the full interest payments would be kept up on the obligations issued by the International Loan Commission, and time would thus be given to any defaulting nation to subsequently make up this default. If it were unable to do that before the final maturity of the loan, the loss would then make itself manifest in a deficit in the ultimate final payment of the principal of the International Loan Commission's obligations.

Each borrowing nation would undertake to lay sufficient import duties to provide amply for its obligations to the International Loan Commission. The obligations would include in addition to the interest and amortization of the original loan, the proper expense of the flotation of the International Loan Commission's obligations, and the expense of the International Loan Commission up to the final discharge of its obligations.

Any borrowing nation finding itself in a position to liquidate its obligations to the International Loan Commission in advance of the maturities of those obligations, and desiring to do so, would be permitted to liquidate those obligations at, say, 102½.

The point may at once be raised that some at least of the borrowing nations would raise objection to pledging a first lien on their customs receipts. If such a proposal were made individually to separate nations, that objection might be insurmountable. The difficulties of the situation are so great, however, that nothing short of a prior lien obligation would offer sufficient security to warrant bankers going to the investment public with an obligation for the industrial rehabilitation of Europe; and if all the borrowing nations were asked to follow the same formula, the political objections would be far less serious than if an attempt were made to induce governments one at a time to thus grant a priority lien. Any government that found itself in a position to finance on more favorable terms subsequently could relieve itself of this pledge of revenue by redeeming its obligations to the International Loan Commision at a moderate premium.

The plan which is in the mind of many of the financial officials of the borrowing governments, to rediscount their expected indemnity claims against the Central Powers, is one which will find little favor among investors. The investors of no lending nation will be disposed to put themselves in a position of collecting this indemnity from either an impotent or unwilling Power. If the indemnity is paid, the obligation which it is proposed to secure by putting up the indemnity as collateral would be paid. If it is not paid, the task of collecting it is not one that any thoughtful investor will voluntarily become involved in.

Nothing in the foregoing plan, however, would prevent a nation from rediscounting the indemnity obligations which it might secure if it desired to do so and could find a lender. Nor would the granting of individual commercial credits be in any way curtailed. Individual commercial credits will eventually perform a most important function, but until the preliminary work of getting industry started in all the countries has been undertaken, there is a lack of security, in all individual commercial loans, without regard to the wealth of the borrower, because his total wealth may be subject to depreciation or extinction by revolution. That is why I believe the first step should be the comprehensive one of furnishing the minimum necessary to restart industry in all European nations concurrently.

POOR OUTPUT OF FRASER SALMON

Belief That the days of the Big Sockeye Runs Are Now Of the Past

By Special Representative

VANCOUVER.—Fraser River salmon fishing this year has been most unsatisfactory from the standpoint of the fishermen, and there is every probability that the men will hang up their nets for the season at the end of next month. Comparatively few sockeyes have been caught during the season, and while the Dominion fishery inspector inclines to the belief that there will be a late run, the cannerymen are not so optimistic and there is a general impression among the old timers that the Fraser's day as a fishing stream is at an end. The fishing men held a meeting in New Westminster, when it was decided to petition the Ottawa Government to extend the period of using small-meshed nets until the usual end of the season about November 10. One of the arguments advanced is the difficulty in procuring the prescribed seven-inch mesh, due to the scarcity of twine. It is also stated that many of the men are financially unable to buy the larger kind. Another argument is that across the line the Americans are permitted the use of 500 fathom nets, while here the limit is 150 fathoms.

At their meeting the fish men stated that fully 60 per cent. of the men will cease their efforts at fish catching at the end of next month. One experienced canneryman states that more humpbacks are being caught just now than at any time during the past fifteen years. This is taken as an indication that the sockeyes are through. These fish, commercially, are far inferior to the sockeye and there is little demand from the buyers. Licenses issued this year total 1,031, as compared with 2,400 and 2,500 in the big years. It is two years yet until the "big" year in the regular four-year cycle.

"Once the greatest salmon-producing river in the world, the Fraser River is now barren because the American authorities and interests have been and are utterly blind and too selfish to take preventive action." This is the summary of conditions according to Hon. Wm. Sloan, Commissioner of Fisheries.

In an indictment of the policy pursued by the American Legislatures, Mr. Sloan insists that while Canada was enacting legislation designed to protect the salmon on their way to the Shawinigan grounds, which lie well up the Fraser River, Washington State and Federal officials turned deaf ears to the urgings from Canada that some measure of protection should be enacted.

TO COMPLY WITH LAW

Wholesale Grocers Take Every Precaution to be on Safe Side

The newly incorporated Canadian Wholesale Grocers' Association to represent the wholesale grocery trade from coast to coast is in session at Ottawa for organization purposes. At the opening session W. F. O'Connor, vice-president of the Canadian Board of Commerce, was present on the invitation of the association, to explain the aims of the Board. This information was desired that the association might frame its organization to fall in as closely as might be with the activities of the Board of Commerce, so that any points of friction that might otherwise arise between the Wholesale Grocers' Association and the Board might be eliminated. The association showed a very evident wish to do everything in its power to assist the new organization in dealing with the serious commercial situation of the present. H. W. Chamberlain, of Ottawa, was elected chairman.

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